



MINUTES OF THE HOSTPLUS 2024 ANNUAL MEMBERS' MEETING

Held online at 11.00am (AEDT)
on Thursday 5 December 2024

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Speakers

Damien Frawley, Independent Director and Chair of the Board

David Elia, Chief Executive Officer

Bev Myers, Employee Director

Jessica Rudd, Independent Director

Janet Whiting, Independent Director

Sam Sicilia, Chief Investment Officer

Other attendees

Hostplus Board:

David Gibson, Employer Director

Craig Laundry, Employer Director

David Attenborough, Employer Director

Gary Bullock, Employee Director

Tim Lyons, Employee Director

Brian Kearney, Alternate Employer Director

Julie Korlevska, Alternate Employee Director

The Chair declared the Annual Members' Meeting (AMM) open at 11.00am.

Hostplus Executive Team:

Jason Muir, Chief Risk Officer

Jo Dutton, Chief Technology Officer

Natalie Strickland, Chief People Officer

Arther Nedelkov, Acting Chief Administration & Insurance Officer

Umberto Mecchi, Chief Member Officer

Fund Auditor:

George Sagonas, PricewaterhouseCoopers

Fund Actuary:

Louise Campbell, Willis Towers Watson

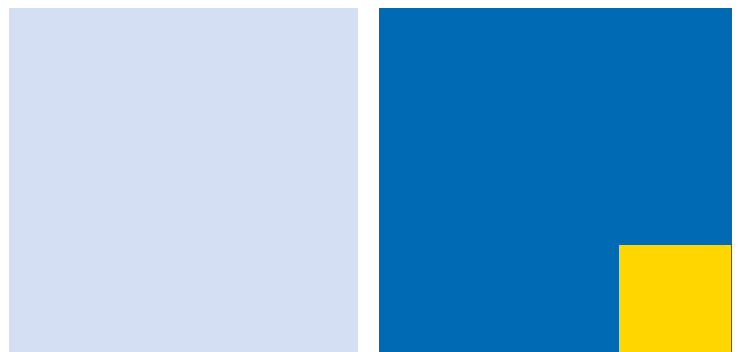
Chris Porter, Willis Towers Watson

Minutes of the Hostplus Annual Members' Meeting

Opening remarks

Chair, Damien Frawley

1. The Chair welcomed attendees to the 2024 Hostplus Annual Members' Meeting and expressed gratitude for their participation.
2. He acknowledged the traditional custodians of the land, the Wurundjeri people, and extended respects to First Nations people across Australia.
3. The Chair highlighted the significance of the Annual Members' Meeting as an opportunity to update members on the fund's performance and achievements for the 2023-24 financial year and to answer their questions.
4. The Chair also acknowledged the attendance of the fund's external auditor and actuary, as well as the Hostplus Board of Directors and Senior Management team.
5. He extended a special welcome to Independent Director Jessica Rudd and Alternate Employee Director Julie Korlevska who joined the Board during the last financial year.
6. He emphasised the importance of the balanced presence of employee, employer, and independent directors on the board, which brings a richness of perspectives that deepens engagement, sharpens decision-making, and strengthens the approach to managing risks.
7. The Chair concluded by outlining the agenda for the meeting and encouraging members to submit their questions via the event streaming page.



Business update

CEO, David Elia

1. The CEO provided a comprehensive update on the superannuation landscape and the fund's achievements during the financial year ending 30 June 2024.
2. He began by emphasising Hostplus' commitment to delivering a strong net benefit to members, which involves maximising growth while minimising unnecessary expenses.
3. The CEO highlighted that Hostplus' Balanced option ranked number one for net benefit out of the 10 biggest not-for-profit funds over 15 years, according to SuperRatings.¹
4. He discussed the fund's strong long-term returns, with the MySuper Balanced option delivering a 76% return and the Indexed Balanced option returning an industry-leading 12.18% for the year.²
5. The CEO also noted the fund's growth, with a 5.8% increase in membership and a 22% growth in funds under management, reaching \$115 billion as of 30 June 2024.
6. He attributed this growth to strategic mergers – such as the successful integration with Maritime Super, which brought an additional 23,000 members and over \$6 billion in funds under management – as well as a data-driven marketing strategy leading to more than 288,000 new members joining Hostplus this year.
7. The CEO highlighted the importance of leveraging the fund's size and scale to access a wider range of investment opportunities and to keep fees low.
8. He discussed the benefits of scale, including spreading fixed costs, securing more competitive rates, and creating operational efficiencies to reduce the cost per member.
9. The CEO mentioned the introduction of new pre-mixed investment options, including three new low-cost indexed options, and the recent removal of the trustee fee.
10. He discussed the recent policy debate relating to early access to superannuation for a range of purposes, including to purchase a home. The CEO stated that these proposals undermine the fundamental principle of preservation that underpins the superannuation system.
11. The CEO concluded by recognising the Hostplus team, employers, and partners for their support and collaboration, and by announcing several industry awards that Hostplus had recently received.
12. During the Q&A segment the CEO announced that Hostplus would publish a quarterly Service Standards Report on the website to improve transparency and accountability to members. The report is available [here](#).



1. SuperRatings Net Benefit modelling for 30 June 2024 according to data extracted on 6 August 2024. This analysis compares the difference in net benefit of Hostplus' Balanced (MySuper) investment option and the average of main balanced options of other funds tracked by SuperRatings. It assumes employer contributions on a starting annual salary of \$50,000 and a \$50,000 starting balance and takes into account historical investment earnings (after administration and investment fees and taxes). Fees deducted from the Fund's administration reserve, contribution fees, additional adviser fees or any other fees charged are excluded from this model. Outcomes may vary between individual funds. Past performance is not a reliable indicator of future performance. Visit hostplus.com.au/assumptions for more details about modelling calculations and assumptions.

2. Source: SuperRatings Accumulation & Pension Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, June 2024.

Director address

Independent Director, Jessica Rudd

1. Ms Rudd provided an update on service enhancements and the fund's commitment to delivering high-quality experiences to members.
2. She began by highlighting the dedication of the Hostplus service team, who answered more than 462,000 inbound calls, responded to over 204,000 online chats, and replied to more than 144,000 emails during the financial year.
3. Ms Rudd discussed several service improvements, including the introduction of an online process for submitting a notice of intent to claim a tax deduction, which enabled 72% of members to submit their claims without paperwork.
4. She also mentioned the ability to process benefit payments online and the opening of a new Service Plus Centre in Darwin, with plans for additional centres in Sydney, Brisbane, and Perth.
5. She encouraged members to register for Member Online services or download the Hostplus app to manage their super anytime, anywhere.
6. Ms Rudd emphasised the importance of affordable insurance through superannuation, noting that Hostplus paid over \$267 million in claims to members. She also noted that Hostplus had reduced insurance premiums and improved terms and conditions for most members in 2024.
7. She outlined how Hostplus is providing protection for members in cyber security and fraud protection, and encouraged members to take steps to protect their accounts further through strong passphrases and other methods.

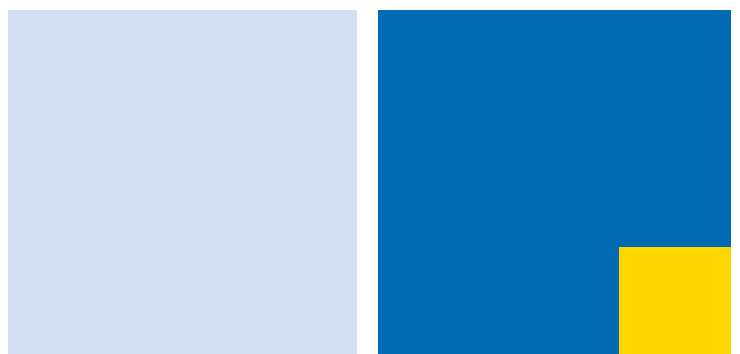
3. Hostplus has engaged Industry Fund Services Limited (IFS) ABN 54 007 016 195, AFSL 232514 to facilitate the provision of personal financial advice to members of Hostplus. Advice is provided by Hostplus financial planners who are Authorised Representatives of IFS. Fees may apply for personal financial advice; for further information about the cost of personal advice, you can speak with your Hostplus financial planner or visit our website www.hostplus.com.au. Information to help you decide whether you want to use personal financial advice services being offered is set out in the relevant IFS Financial Services Guide, a copy of which is available from your Hostplus financial planner.

Independent Director, Janet Whiting

1. Ms Whiting began by discussing Hostplus' financial advice services, highlighting the importance of providing members with access to quality financial advice to help them make informed decisions about their superannuation and retirement planning.
2. In the financial year to 30 June 2024, more than 6,400 members received personal advice from dedicated Hostplus advisers³, and more than 8,600 members attended educational webinars.
3. She then addressed the Quality of Advice Review, explaining how Hostplus is committed to continuously improving the quality of financial advice provided to members.
4. Ms Whiting introduced the SuperSmart platform, a new digital tool designed to help members make more informed decisions about their superannuation. The platform offers personalised insights and recommendations based on individual member data, making it easier for members to optimise their superannuation strategies.
5. She proudly announced that Hostplus had received several awards, recognising the fund's commitment to excellence in financial services. These awards are a testament to the hard work and dedication of the Hostplus team in delivering outstanding value and service to members.
6. Ms Whiting discussed the introduction of new pre-mixed investment options, including three new low-cost indexed options. She explained how these options provide members with more choices to suit their individual risk profiles and investment preferences.
7. She highlighted the CPIplus option, which is designed to provide members with a stable income stream that keeps pace with inflation. Ms Whiting explained that this option is designed for members who are looking for a reliable source of income in retirement.
8. Ms Whiting elaborated on Hostplus' Retirement Income Strategy, emphasising the fund's commitment to helping members achieve a secure and dignified retirement. She discussed the various products and services available to support members in their retirement planning.
9. Finally, Ms Whiting provided an update on fees, highlighting the recent removal of the trustee fee. She explained that this change reflects Hostplus' commitment to keeping costs low and delivering better value to members.

Employee Director, Bev Myers

1. Ms Myers, an Employee Director, discussed how Hostplus invested in its member-first culture to enhance member outcomes and organisational success.
2. Ms Myers emphasised that fostering a culture of excellence were key strategies for achieving long-term success.
3. She mentioned specific programs and initiatives that were implemented to support these goals, including training and development opportunities, mentorship programs, and a range of wellbeing and support activities.
4. Hostplus' values – We Care, Better Together, Keep it real, Go for it, and Be proud – provide the foundation upon which to work together.
5. Hostplus has taken significant strides to further commitment to diversity, equity, and inclusion. To support this commitment, The fund has achieved a notable reduction of 11.6% in its gender pay gap average
6. Hostplus has also taken further steps to support First Nations communities and members as part of its ongoing commitment to Reconciliation. In collaboration with the First Nations Foundation, the fund developed and introduced superannuation education specifically tailored for employers of First Nations People.
7. Hostplus also participated in four community outreach days and is working to reduce barriers for First Nations people to access and manage their superannuation through ongoing policy and advocacy work.
8. Ms Myers concluded by reiterating the commitment of Hostplus to continue investing in its people and promoting a culture of diversity and inclusion to ensure the best possible outcomes for its members.



Investment strategy and performance

CIO, Sam Sicilia

1. The CIO provided an extensive overview of the fund's performance during the financial year and outlined the key features of Hostplus' investment approach.
2. He began by discussing the driving forces behind the fund's positive performance, highlighting a robust investment strategy that has demonstrated resilience in challenging market conditions.
3. The CIO emphasised the strong returns delivered by the MySuper Balanced option, which achieved a 7.6% return for the year, positioning Hostplus above its peers as the top-performing fund over ten and twenty years.⁴
4. He also noted the impressive performance of the Indexed Balanced option, which returned an industry-leading 12.18% for the year, outperforming all other options in the balanced category.⁴
5. The CIO stated that equities performed well over the year, broader market volatility continued to be a key factor in the performance of other parts of the market.
6. He discussed the importance of diversification and active management, which can help to mitigate risks and enhance returns.
7. The fund's young demographic and large cash flows open opportunities across a broader range of investments, helping to further diversify the portfolio. One example of this is investment in critical infrastructure, such as airports, seaports and energy infrastructure.
8. Focusing on active management allows Hostplus to capitalise on opportunities across asset classes, for example in unlisted property. These investments can also have societal benefits, such as addressing the challenges around housing supply. Over the past decade, Hostplus has contributed to the delivery of more than 7,600 residential build to sell land lots or dwellings, with a further 2,200 properties in the pipeline nationally.
9. The CIO discussed investments in venture capital companies including Canva and Gilmour Space, as well as helping finance the energy transition with the primary aim of generating returns for members.
10. The CIO highlighted the fund's commitment to responsible investing, including integrating environmental, social, and governance (ESG) factors into the investment process. He discussed the positive impact of responsible investing on long-term performance and risk management.
11. Through active ownership, which includes engagement and voting activities in investee companies, Hostplus seeks to influence ESG outcomes in the best financial interests of our members.
12. During the financial year, Hostplus engaged with more than 950 companies through specialist service providers such as the Australian Council of Superannuation Investors, also known as ACSI. Hostplus also voted on more than 33,500 proposals at more than 2,800 company meetings. Outcomes include:
 - 29 target companies demonstrated progress in the management and reporting of climate-related risks.
 - 43 target companies made progress to improve board gender diversity, with 27 target companies meeting or exceeding a 30% minimum female representation benchmark.
 - 22 target companies improved their governance and implementation of workplace safety practices, as well as improved safety reporting
13. The CIO concluded by commenting on the investment outlook. While the investment landscape may continue to change and market volatility may persist or subside, he believes Hostplus is well-positioned to navigate any short-term market fluctuations and take advantage of any opportunity set that may arise.

⁴ Source: SuperRatings Accumulation & Pension Fund Crediting Rate Survey – SR50/SRP50 Balanced (60–76) Index, June 2024.

Annual Members' Meeting questions and responses

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Hostplus Organisation & Governance

Sponsorship & Partnerships

- *Why is Hostplus spending so much of OUR money on sponsorship including on the AFL and SANFL. The job of Hostplus is to invest our money, not to spend OUR money. Sponsorship is investment for the recipient not US.*
- *As an industry fund why are you spending 33+ million on sponsorship?*
- *Please provide detailed expenses relating to sponsorships, particularly sporting and entertainment events. During these times, it would be prudent to put a pause on these or halve the proceeds.*
- *Hi, my question is how much our fund is investing in marketing and sponsorship each year and what is the ROI on this spend. Thank you*
- *How much was spent sponsoring Sydney Rabbitohs? Why is this not disclosed in the annual report?*
- *What is the current annual expenditure on sporting sponsorships? What strategies are being implemented moving forward to reduce this expenditure moving forward? How will Hostplus ensure more appropriate governance here?*
- *Hostplus's marketing expenditure (\$33.4M) was about four times its salaries bill (\$8.7M). What has spending so much on marketing achieved to benefit members and staff?*
- *Would appreciate greater explanation on the Marketing Sponsorships and as to why this is the best channel to spend?*
- *In terms of the promotion, marketing, or sponsorship expenditure exceeding \$33 million, what measurable returns are being observed in terms of membership growth or engagement?*
- *Specifically, how is this investment of promotion translating into increased member acquisition, retention, or overall engagement with the brand or product?*
- *What is the net gain to members with sponsorship of other organisations such as NRL & AFL? Propose that this practice of our funds be review and be terminated*
- *How has the money spent on sponsorship financially benefited members?*
- *How is \$33m in Marketing, promotion, sponsorship helping grow our super funds when these could be invested for current members?*

Hostplus' marketing strategy, which includes sponsorships and partnerships, is fundamental to our ability to maintain and grow our membership and funds under management. Of the total aggregate expenditure on marketing (\$33M), \$12.5M relates to sponsorship activities.

Our sponsorship expenditure, particularly expenditure relating to sport partnerships, reflects a deliberate and considered strategy to place a greater allocation of marketing expenditure in these channels. The reason for this is because the existing members and consumers we seek to attract are heavy consumers of sports media. This is also a reflection of the changing media consumption preferences of consumers in the modern media landscape.

We have governance arrangements in place to ensure the expenditure is in members best financial interests. In making these decisions, we employ advanced data analysis, modelling, and marketing science to evaluate every dollar spent. We rigorously and frequently test these investments to determine their effectiveness and value for money and seek to continue, modify, or cease these activities accordingly. All sponsorships and partnerships are independently assessed by a specialist third party against our members best financial interest framework prior to commencement and are subject to annual performance reviews against the contracted partnership objectives. Additionally, an externally led audit is undertaken annually to support strong governance in this area with all partners required to meet strict reporting requirements.

Our marketing strategy has made, and continues to make, a proven and cost-effective contribution to achieving the size and scale that enables us to deliver more value to our members.

Hostplus now proudly serves over 1.86 million members – a 5.8 per cent increase on FY22-23 – and our funds under management have grown by an impressive 22% having reached \$115 billion dollars at 30 June 2024.

To put this in perspective, this 22% growth rate surpassed the industry's overall increase in superannuation assets, which grew by 9.1 per cent over the same period according to APRA data.

Our size and scale enable us to keep fees low, access investment opportunities that smaller funds cannot, and reinvest in products and services that support our member's journey to retirement.

All marketing activities are funded by a portion of the administration fee and are not deducted from investment earnings.

An itemised list of prescribed expenditure, as required under regulation 2.10 of the *Superannuation Industry (Supervision) Regulations 1994*, is available on our website [here](#). This detailed information was also included in the AMM Event invitations sent to all our members.

• ***Why are your marketing and aggregate related party payments so high over \$54 million dollars using superannuation money of members who can't access their hard-earned money for years? What specific use has been done with it?***

In relation to the aggregate expenditure provided with the AMM notice, it should be noted that some payments have been counted in more than one category and therefore \$54m overstates the combined cost of all marketing activities and related party payments. This duplication of payments across multiple categories, and all of our expenditure, is detailed as required by section 29P(3) of the *Superannuation Industry (Supervision) Act 1993 (Cth)*, and reg 2.10 of the *Superannuation Industry (Supervision) Regulations 1994 (Cth)*.

Payments disclosed in the related party payments category include a broad range of operational costs and activities that support us in delivering outcomes for our members.

For example, the payments to Industry Fund Services include fees for licensed financial advisers which enables us to offer this service to members. IFS also played a critical role in the development and provision of limited financial advice through the innovative and award-winning SuperSmart digital education and advice platform, which we launched this year.

Other payments made to related parties include to the Super Members Council, through which we advocate for and champion policies that protect your interests, including super on government paid parental leave and legislating the objective of super.

While all Hostplus expenditure is considered in the context of members' best financial interests, Hostplus' operating costs are well below the industry median when calculated according to both our number of members and total funds under management according to SuperRatings.

• ***If advertising to attract new members is in the best financial interest of existing members (because bigger is better), why not just merge with AustralianSuper?***

While attracting new members through advertising is part of our strategy to ensure long-term sustainability and competitive costs for existing members, merging with another fund, such as AustralianSuper, is a different consideration entirely.

There are significant governance, investment, and operational factors that would need to be evaluated in a potential merger scenario together with the legal requirement to ensure that Hostplus members receive equivalent rights in the receiving fund.

Our current focus is on maintaining the identity, values, and personalised service that our fund offers, which may not be preserved in a merger with a larger fund.

Advertising helps us grow sustainably while maintaining our unique identity and independence. It allows us to attract like-minded members who align with our fund's values, ensuring we continue to deliver value to all our members without the complexities and compromises of a merger.

We continually evaluate all options for enhancing member value, including partnerships or other collaborative strategies. However, our current strategy prioritises maintaining autonomy to serve our members' best interests directly.

• ***If scale really is better, would members be better moving to the biggest industry super fund in Australia?***

While our purpose is the same – to help our members save for their retirement – funds seek to achieve this in different ways. Different funds offer different value propositions to members based on the demographics or industries they represent. Funds may operate with different investment philosophies, offer different product and investment options, or offer varying member services.

Knowing whether you are with the right super fund can come down to whether your fund provides an option that optimises your financial outcomes in retirement in a way that meets your personal needs and objectives.

Size and scale play a critical role in enhancing the value Hostplus provides our members in delivering our unique strategy based on the attributes of our fund.

One way we seek to demonstrate the value our scale delivers is through the net benefit we deliver to you. Net Benefit is achieved by maximising growth whilst minimising unnecessary expenses. It represents the actual returns you receive after administration fees, investment costs and taxes have been deducted. This year, Hostplus' Balanced option ranked number one for net benefit out of the 10 biggest not for profit funds over 15 years, according to SuperRatings.

Fund Governance

- **Noting the multiple failures in major auditing companies of separation of conflicts. Is Hostplus considering a separation of KPMG as both tax advisor and auditor?**

Hostplus has clear policies in place that govern our auditing processes. This includes a strict requirement around the independence of external audits, specifically that an external auditor may not provide taxation advice in relation to any Hostplus entities.

We regularly review our external and internal auditor arrangements to ensure these requirements are met.

- **Do any of the board members have direct association with any unions and have any been employed by unions previously.**

Yes, Hostplus was founded by the United Workers Union (UWU) and the Australian Hotels Association (AHA) in 1988 and they continue to play an important role in delivering representative governance and supporting the ongoing success of the fund.

The Hostplus Trustee Board comprises three employer representative directors, nominated by the AHA, and three employee representative directors, nominated by UWU, as well as three independent directors jointly selected by the AHA and UWU. Our Board is chaired by one of Hostplus' independent directors.

The balanced presence of employee, employer, and independent directors on our board has been a cornerstone of our success.

This inclusive approach brings a richness of perspectives that deepens engagement, sharpens decision-making, and strengthens our approach to managing risks.

Above all, it upholds an unwavering level of accountability to our stakeholders, whose trust and partnership are at the heart of everything we do.

You can find out more about our Board members [here](#).

- **Do you donate to any political parties?**

Hostplus does not make political donations.

- **How many members has Hostplus got on their books?**

Hostplus is one of the largest industry super funds in Australia with more than 1.86 million members, more than 300,000 contributing employers and more than \$120 billion in funds under management. Hostplus continues to evolve and grow as the lifetime fund of choice for Australians and employers from a broad range of backgrounds and industries.

- **It is disappointing to hear during the AGM meeting that the Gender Pay Gap is less than the National average. Hostplus has a high proportion of female members. When will parity be achieved please?**

Hostplus has achieved a notable reduction in our gender pay gap average, bringing it down to 18.2% compared with the national average of 21.8%.

Hostplus is committed to creating and sustaining a diverse and inclusive workforce which embraces a wide range of perspectives, backgrounds and life experiences.

We strive to deliver a workplace culture that supports our people to thrive, innovate and equally contribute to the success of our organisation.

We believe this approach fosters a dynamic and productive workplace but also helps us to more effectively connect with, and service, the diversity of members we represent.

One way we do this is through the employee leave benefits we offer to our team, such as our parental leave policy that includes 18 weeks company paid primary carer parental / adoption leave. In addition, Hostplus continues to provide employee superannuation contributions for the duration of a parental absence up to 12 months to ensure workers who want to start a family aren't worse off in retirement.

Hostplus has already commenced a program of work to better understand the drivers and actions required to address gender equity issues identified within our organisation.

We are encouraged by the progress that has been made over the past 12 months and the Hostplus Board and executive leadership team remain committed to progressing work in this area.

We look forward to providing further updates on our progress as we continue on this important journey.

Expenditure

- ***Please advise the actual salary plus bonuses of each of the executive team as it is not transparent. Thank you***

Executive Staff and Board Remuneration is publicly available on our website [here](#). This information was also included in your AMM Event invitation.

Policy

- ***What level of cooperation do you undertake with Other Industry Funds to influence Gov't Policy for Environment, Housing & Affordability?***
- ***Why are the super funds not funding the young members into home ownership?***

Hostplus actively participates in policy discussions, both directly and indirectly, through industry groups such as the Superannuation Members Council, the Association of Superannuation Funds of Australia, and the Australian Council of Superannuation Investors, to advocate for policies that improve equity in the superannuation system and the retirement outcomes of our members.

This includes, but is not limited to, superannuation policies impacting women, young people, people on low incomes, first nations people and those in insecure work.

We leverage the collective power of the superannuation industry to drive policy outcomes that are in the best financial interests of our members.

The superannuation industry has been the focus of some key policy and regulatory changes over the past few years and Hostplus has been an active participant in discussions surrounding many of these changes.

More recently, we have engaged in policy discussions on legislating the objective of super, strengthening financial abuse protections, and uplifting industry service standards. The recent passage of the Superannuation Objective Bill through the Parliament was welcome progress, which will serve as a reminder to current and future policymakers of the fundamental purpose of super, and a testament to the collective policy efforts of our industry.

The collaboration between the superannuation industry and our representative bodies has never been more important than it is right now, when we are increasingly seeing the core principles of preservation, universality and compulsion being challenged through various policy proposals.

One example of this is the recent policy debate relating to early access to superannuation for a range of purposes, including to purchase a home.

We believe these proposals undermine the fundamental principle of preservation that underpins the superannuation system, potentially jeopardising the ability to accumulate adequate savings for a secure and dignified retirement.

Further, there are existing mechanisms in place to support young members to achieve home ownership, such as the First Home Super Saver (FHSS) scheme. In the last financial year, 1,389 Hostplus members took advantage of this scheme, which saw them access over \$30 million in savings, or almost \$22,000 on average per member, to purchase a home. You can find out more about the FHSS [here](#).

We will continue to work collaboratively with relevant peak bodies and policy makers with the aim of safeguarding the best financial interests of our members.

Member Services & Experience

Artificial Intelligence

- ***Has Hostplus implemented AI as part of its administrative, communication and investment monitoring and advice process? How are the risks being mitigated?***

Hostplus is exploring AI opportunities and seeking to balance innovation with information security and service quality risks.

We require comprehensive risk management plans and review processes to be in place prior to all new AI implementations, and we have introduced Responsible AI Use Guidelines to ensure accountability, transparency, privacy, and information security.

Currently, we are focused on utilising AI to support low-risk operational activities to assess the safety and effectiveness of such applications for higher-risk use cases within investment monitoring, advice, communications and fund administration.

- ***Does Hostplus have plans to provide AI-assisted voice or chat features so that member can still receive personalised service outside office hours (which is when members think about their finances)?***

Hostplus is constantly working to improve the service experience we offer our members. We recognise that members want simple and effective account management and transaction capabilities at their fingertips.

To support members outside of standard business hours, we offer some self-service functionality through Member Online, the mobile app, and via our automated phone system.

We are currently assessing opportunities to enhance this offering through the use of AI, which we seek to balance with the overall member experience and account security requirements.

Cyber Security

- ***When will Hostplus change to use stronger Time Based One time Passwords (TOTP) 2FA instead of the far less secure use of Mobile SMS OTP Messages?***

Hostplus employs several strategies to protect against unauthorised access threats and comprehensive security protocols in place to safeguard personal and financial information.

We are constantly working to ensure that our cyber and fraud resilience remain at the forefront so that you can have confidence that your retirement savings are secure.

We are reviewing opportunities to further enhance our cyber resilience, including through the use of TOTP 2FA, and will update members in due course.

Member Servicing

- ***What is the plan for establishing a shopfront in Sydney?***

Planning is currently underway to open a Sydney Service Plus Centre in the coming 12 months.

We look forward to offering face-to-face support to our Sydney members in 2025, complementing our existing Service Plus Centres in Adelaide, Melbourne, and Darwin.

- ***Please advise when will Hostplus transition from paper-based reporting and forms to online?***
- ***What are you doing to online the forms such as binding death benefit nominations and others?***

The fund has been working on a program of work to build digital journeys for our members. This year, we introduced several enhancements designed to simplify and streamline your interactions with us.

One of our most impactful updates was the launch of an online process for submitting a notice of intent to claim a tax deduction. This small but powerful improvement enabled 72% of members to submit their claims without a single piece of paper – a significant step forward in making super management more convenient.

We also added the ability to process benefit payments online, cutting down on paperwork and making the experience faster and more seamless.

As some of the requirements around binding death nominations are governed by legislation, we are working with industry and policy makers to identify how the process could be enhanced.

We continue to increase digitisation and identify opportunities to further streamline the services we provide. We look forward to updating our members as we progress this work in 2025.

- **Why can Hostplus not provide individual members investment performance on the portal?**

Hostplus offers daily unit pricing, which act in the same way as share values, shifting with the market. When more funds are added to an account, more units are allocated; if funds are withdrawn, unit numbers reduce. Daily unit prices allow for account value updates in close-to-real-time and represent an important step in our commitment to improving our members' retirement journey.

You can access daily unit pricing via your Member Online account or on our website [here](#).

Alternatively, you can see how your investments are performing through the Hostplus mobile app, which can be downloaded from the Google Play or Apple App Store.

- **Do you outsource customer administration to a third party?**

Hostplus utilises a third-party provider to support the delivery of some of our member services. This includes our front-line administration services, including telephone support and digital communications. This support is provided through the Hostplus Service Excellence Centre (HSEC) a model that provides the Fund with greater control over how we provide services to our members, and enables greater transparency and accountability.

In relation to insurance claims and death benefit payments, we have dedicated in-house teams who oversee the processing of member claims in conjunction with our insurer Metlife.

We have robust governance and control structures in place to ensure effective oversight of all of our third-party service providers.

The Hostplus Board, in addition to Board committees including the Operations Committee, Risk & Compliance Committee and dedicated Claims Review Committee, each play an important role in fulfilling these duties.

- **Why are Kiwi Super balances not transferable to Hostplus but are possible the opposite way?**

Australian super funds are not legally required to accept transfers from KiwiSaver schemes.

Due to the additional compliance and administrative requirements to support these transfers, Hostplus does not currently accept transfers from KiwiSaver schemes.

- **CBUS fails in monitoring their insurance contractor, how does Hostplus ensure this does not happen?**

- **What structure, procedures, staff training and education, or framework has Hostplus in place to ensure it is not sued by ASIC, like in the example of CBUS, for delay with processing Death and TPD insurance claims?**

- **Recently on the news, ASIC is putting super trustees on notice about falling behind on processing death and TPD claims. How is Hostplus dealing with insurance claims? Are you processing claims in a timely manner?**

- **How is Hostplus going with payment/processing of sickness and death benefits - this question is in reference to ASIC's decision to take CBUS to court with allegations of late and delayed payments. Thank you**

- **How does Hostplus mitigate the types of delays in paying death benefits to beneficiaries suffered by other funds (eg Australian Super and CBUS)?**

- **What steps is Hostplus taking to address delays and issues with claims, including with respect to often unnecessarily complex and inflexible claims processes?**

Hostplus has a unique operating model with dedicated in-house insurance and death benefit claims teams who manage the processing of member claims in collaboration with our insurer Metlife. We have established processes for managing insurance claims and benefit payments, including specific timeframes, and we maintain regular communication with our members and their families throughout the process.

Our claim acceptance rates are above 95% and our average processing times over the calendar year to 30 December 2023 were well below the industry average across all insurance categories including death and TPD.

While these results are positive, we also recognise that some cases can be highly complex and may require additional time to ensure they are handled with the utmost care and diligence. In these instances, our priority is always to make the process as smooth, and timely as possible, while providing our members with the support and compassion they deserve.

When members or their families contact us to make an insurance claim, they may be facing challenging life circumstances. We aim to provide support during these times. Additionally, we recognise the importance of accountability and have strong governance and control structures to ensure effective oversight and risk management, especially with third-party service providers.

The Hostplus Board, along with its committees including the Operations Committee, Risk & Compliance Committee, and Claims Review Committee, each play a crucial role in fulfilling these responsibilities.

• ***Hostplus has a poor customer service and complaints handling process, when will these be addressed? First start would be to admit it has a problem. Thank you***

We hold ourselves to the highest standards of service and accountability because we know how much our members depend on us to get it right.

Hostplus has committed to publishing our quarterly [Service Standards reports](#) on our website commencing December 2024.

This report provides a clear and comprehensive view of the volume, speed, and outcomes of Hostplus' service delivery across a range of dimensions. From acceptance rates to processing times, we're sharing this data voluntarily and regularly because we believe transparency is key to earning and maintaining your trust.

Publishing this information reflects our unwavering commitment to delivering a high standard of service. It also ensures you have the information you need to hold us accountable, just as we hold ourselves accountable to you.

As the report highlights, it took 18 days on average for Hostplus to resolve a complaint received directly by Hostplus and 119 days on average to resolve a complaint lodged with the Australian Financial Complaints Authority (AFCA) for the quarter ending 30 June 2024.

Further, between January and June 2024, Hostplus worked closely with members to resolve 155 complaints through the Australian Financial Complaints Authority (AFCA) external dispute resolution process. In 92.9% (144) of these cases, the resolution confirmed that the processes followed and decisions made were appropriate based on the circumstances. In the remaining 7.1% (11) of cases, resolutions were resolved in a way that directly addressed the concerns raised by members. Hostplus remains committed to ensuring fair and transparent outcomes for all parties involved.

We also strongly support the development of a robust industry code of conduct to ensure all funds meet the high standards of service and effectiveness that hardworking Australians deserve.

In relation to our complaints handling process, as a financial services licensee Hostplus is subject to strict regulation and prudential standards from the Australian Securities & Investments Commission (ASIC) as well as the Australian Prudential Regulation Authority (APRA).

As mandated by the regulator, and to support effective business operations, Hostplus is required to have documented internal and external dispute resolution processes. Information about our dispute resolution processes is provided to members in our Financial Services Guide which forms part of your member welcome pack and is available on our website [here](#).

• ***How does Hostplus make sure it isn't charging members fees for duplicate accounts?***

Hostplus has strict policies and procedures in place to identify and merge duplicate member accounts that have not been created at the specific request of a member.

We recognise the potential impact that having duplicate accounts can have on the long-term financial wellbeing of a member.

That's why our duplicate account process includes strict identification matching criteria, written correspondence informing you of our activities, and stringent reporting and oversight measures.

While these policies and procedures have to date proven effective for identifying and managing the occurrence of duplicate accounts, we also encourage members to be proactive when it comes to managing their super.

Ensuring your member details are up to date with us and with your employer can also play an important role in protecting your account.

Death Benefit Nominations

• ***At present a binding death nomination has to be completed every 3 years. This becomes a significant impost as one gets older and has disability. Why can't the nomination be made permanent, unless rescinded or changed?***

It is a legislative requirement for binding death benefit nominations to be renewed every three years primarily as a protection mechanism and acknowledging that things can quickly change in people's lives.

This is designed to ensure that your wishes reflect your current circumstances and that there are no unintended or unwanted outcomes in relation to receipt of your benefits.

As some of the requirements around binding death nominations are governed by legislation, we are working with industry and policy makers to identify how the renewal process could be enhanced.

This includes discussions around the ability of funds to accept digital forms to streamline the process. While this won't remove the need to renew your nomination, it will remove some of the impost associated with the overall process for submitting a binding death benefit nomination.

In the meantime, our member servicing team is here to help you to navigate the process so that your benefits remain protected.

- ***What happens if the nominated beneficiary dies at the same time as us. Is there a way to have a secondary beneficiary?***

It is not currently possible to nominate a secondary beneficiary. However, you are able to nominate multiple beneficiaries.

To provide further context, when a member dies, our Trust Deed outlines that the benefit must be paid to the Dependant(s) of the member and/or their Legal Personal Representative.

Upon the death of a member who had no Dependents, the Trustee shall pay the benefit to the Legal Personal Representative of the Member, or if there is no Legal Personal Representative may pay the benefit in such manner as permitted by Relevant Law.

Under superannuation law, a dependant includes:

- the spouse of the member
- the child of the member
- a person who, is wholly or partially financially dependent on the member, or
- any other person with whom the member had an interdependent relationship.

A binding nomination requires Hostplus to pay your remaining super or insurance benefit to the person, or people, that you've nominated. It requires a bit more paperwork, and you'll need two witnesses who aren't nominated beneficiaries to sign your form, but it gives you greater certainty.

This type of nomination is valid for three years from the date your form is signed. A valid beneficiary can be your spouse, your child (of any age), a dependant, or your legal personal representative. Alternatively, you can submit a preferred beneficiary form which the Trustee will consider when making decisions about the distribution of your death benefit.

Defined Benefit

- ***DB benefit on the app and calculation on retirement?***
- ***When will the app include defined benefit?***

Hostplus is constantly working to improve the experience of our members, particularly when it comes to self-service platforms.

Currently, defined benefit members can access their account details through Member Online, which is optimised for mobile and tablet users.

We are also working to uplift capability within the mobile app to support defined benefit member accounts and we expect this to be completed in 2025.

Due to the highly personalised nature of defined benefit options, calculating retirement projections can be more complex. We offer a range of financial advice services to support defined benefit members to understand and plan for retirement.

- ***Will there be a calculation table for defined benefit?***

A calculation table for defined benefit members is included in the 2024 Annual Member Statements.

Insurance

- ***How frequently and how earnestly does the Hostplus trustee review its insurances for members to ensure they are receiving the most advantageous policy terms at a competitive price?***

The fund performs an insurance product review on an annual basis, which tests against market and competitors to ensure the product and premiums remain competitive and affordable.

In September 2023, Hostplus conducted an open market insurance tender, supported by an independent actuarial consultant. The guiding principles for the insurance tender included achieving premium reductions, simplifying insurance options, and enhancing claim accessibility for members. As a result of this process, MetLife was reappointed, effective from 1 October 2024. This has led to significant benefits for over 95% of our insured members, including an average premium reduction of 13% as well as improved terms and conditions.

More information about these changes can be found in the SEN [here](#).

Hostplus is also collaborating with MetLife to establish a service excellence centre aimed at providing members with a seamless experience for claims and insurance applications. This initiative will offer a more personalised service, real-time updates, and multiple channels for support, including a new digital portal, ensuring that members can easily manage their insurance needs and access tailored solutions.

Financial Education & Advice

- **Can you advise what assistance/ advice / information is provided to those nearing retirement?**

We offer a range of advice, support, and educational resources to help Hostplus members plan and prepare for retirement.

This year we enhanced our digital education and advice offering with the launch of SuperSmart.

SuperSmart delivers personalised financial education and digital personal advice to eligible Hostplus members.

The platform, accessible through your member online portal, supports members to engage with bite-sized, self-paced, education modules that promote learning about super in a fun and interactive way.

SuperSmart also offers tailored financial advice journeys to eligible members to help supercharge your financial future.

You can find out more about SuperSmart [here](#).

Depending on the level of advice you need, you may wish to access one of our other financial advice services. These range from general product advice from the fund's advice support team to the provision of professional and personalised advice from qualified financial planners through our arrangement with Industry Fund Services Limited (IFS) ABN 54 007 016 195, AFSL 232514.

To find out more about our financial advice services, or to book an appointment, visit our website [here](#).

In addition, we also have a range of tools and resources on our website, including our Retirement Projection Calculator, which you can access [here](#).

- **Does Hostplus provide its members free financial planning advice and if yes, how can one access it?**

Yes, eligible Hostplus members can access tailored financial advice journeys at no additional cost via our SuperSmart platform. Members can also speak with one of our Superannuation Advice team who can provide advice relating to your Hostplus account, such as your investment choice, insurance and contributions, at no extra cost.

If you require more comprehensive advice, our team of qualified financial planners can help you maximise the potential of your investments and provide you with the tools and knowledge for a better financial future. The costs involved depends on the level of advice you need, and we offer a flexible pricing structure to ensure you remain in control.

Visit our website [here](#) to find out more or to book an appointment.

- **Is there any consideration to more in-depth educational material for members to better understand various investment options and how they work (eg seminars, videos etc)?**

We're committed to supporting and empowering our members to achieve your retirement goals.

We recently launched our SuperSmart platform, a new, interactive way to access financial education and tailored advice online. The platform is accessible via Member Online or you can find out more about it [here](#).

You can also find information and resources designed to help you understand your investments and more in the learning hub on our website [here](#).

You can also contact us using one of the channels listed [here](#) to provide feedback or request specific information.

- **With changing coming around providing financial advice and members being charged fee for this service. What strategies are in place for setting up these services, what will be provided and projected costs?**

We welcome the government's efforts to enhance the accessibility and affordability of financial advice following the Quality of Advice Review.

With exposure draft legislation expected soon, Hostplus is currently reviewing its financial advice services strategy to explore how these changes can help more of our members retire with confidence.

We believe that we are well placed to leverage any changes legislated by government in the area of financial advice given the strength of our existing offering.

We offer a range of services, delivered through a range of methods, to ensure you can access the level of information you need, in a way that suits you.

From general to comprehensive advice, over the phone to in-person support, we are here to help guide you on your retirement journey.

We also took significant steps to enhance our digital education and advice offering this year with the launch of SuperSmart.

SuperSmart represents the final piece of Hostplus' enhanced advice operating model and provides an alternative avenue for members looking for information or advice.

The tool, combined with our existing offering, is helping to ensure that when you are ready for advice, we can provide it on your terms – whether that be digital, in person, or over the phone.

Investment Strategy & Performance

Investment Performance / Returns

- ***The fund performance for the FY24 was unexpected. What has the investment team got wrong and has the investment team taken a review of the current investment strategy to improve the performance?***
- ***Why is my super underperforming?***
- ***I would like to know what the balance fund performance likes in comparison to the other similar super funds. It looks like Host plus is lagging behind at the moment. What steps are you taking to gain back the previous?***
- ***Why has Hostplus default Balanced option had a relatively poor performance in the last year - ranked 45th/45? And what is being done to prevent a recurrence?***
- ***How is the Hostplus performing overall?***
- ***Hostplus has very high private asset allocations vs peers at a cost of listed equities. Have recent listed markets returns, a diminishing availability of private deals, and peer underperformance changed your thinking?***

Equity markets drove returns across the industry during the financial year with overall returns determined largely on the proportion of equities allocated to most investment strategies, particularly as a result of the performance of a narrow set of US technology stocks known as the Magnificent 7.

While FY23-24 was particularly strong for passive indexed investments, there are early signs that the market is beginning to broaden beyond equities. For example, in private equity, positive developments are emerging, with significant activity in private market transactions, such as Canva's valuation increasing by over 30% in anticipation of its expected public listing in 2025.

Overall, many private market investments are seeing rising valuations due to strong fundamentals, and there is optimism that the opening of private markets in 2025 will lead to improved valuations and sales across the portfolio.

However, superannuation is a long-term investment, and we do not invest for just one year.

Hostplus' MySuper Balanced Option is actively managed and highly diversified, with the aim of providing protection from market volatility and smoothing out results over the long term, and this investment strategy remains unchanged.

The strength of this strategy is evidenced by the consistent outperformance of our actively managed investment options against our passive indexed options over the long term.

The FY23/24 returns exceed the Fund's investment return target for the Balanced Option of CPI plus 3% per annum over 10 years and CPI plus 4% per annum over 20 years.

In fact, Hostplus' MySuper Balanced Option returned 8.33% per annum over 10 years, and 7.88% per annum over 20 years to June 30, 2024 securing our standing as the top-ranked balanced option over these timeframes according to SuperRatings.

You can compare Hostplus to other funds using the independent SuperRatings Rate My Super tool, which is available via our website [here](#).

- ***What are our projected returns for this next fiscal year?***
- ***Like to know the projected return of balance fund in December 24?***
- ***How much can Hostplus provide as returns to its members in 2025?***

Markets are unpredictable so it is impossible for anyone to accurately predict future performance. That's why we don't forecast one year or short-term returns but remain focused on investing in a diversified portfolio over the long-term.

- ***Why celebrate the 7.6% return in the Balanced MySuper product when the real cost of living increases (not the false inflation rate reported widely) higher than that each year?***

While we recognise that many Australians are currently facing significant cost of living challenges, it's important to remember that superannuation is designed to help ensure a dignified retirement. The focus on long-term results is crucial because, over time, these returns are expected to outpace the increases in the cost of living. By maintaining a long-term perspective, we believe that superannuation will provide the financial security needed for a comfortable retirement.

- ***The growth this year of 10% & 8% (30 November investment returns) of conservative balanced and capital stable funds respectively is that due mainly to overseas equity growth? Is that why overseas management have raised their fees?***

Returns this year have benefited from the international exposure in global shares. Infrastructure, credit and alternatives (asset class) have also generated single to double digit returns. Overall, portfolio returns have done well in an absolute sense due to equities (Australian and International), infrastructure, credit and alternatives.

The small increase in fees for the Conservative Balanced and Capital Stable Options outlined in the November 2024 Significant Event Notice can be attributed to an increase in the management fees charged by external investment managers for the international equities (developed markets) and fixed interest asset classes. There was also an increase in performance fees for the alternatives and credit asset classes.

- ***What's your outlook on global markets for FY24-25?***
- ***How are investments going to be maintained if wars continue to escalate?***
- ***Future projections with a lot of uncertainty in the market?***
- ***Where does Hostplus see its Australian shares index and international shares index in 2025?***
- ***What's your outlook for the revaluation of unlisted property assets within the portfolio over the next 12 months?***

The global investment environment is evolving with more volatility, and shorter market and economic cycles due to a multipolar geopolitical environment.

We believe that geopolitical issues will continue to be a feature for the foreseeable future in the global economy. Higher than average inflation and wider uncertainty around inflation may also continue to be a feature.

Equities markets are already at high levels, particularly US equities, and we are now seeing more potential in private markets.

Unlisted property assets are expected to perform better over the next year, helped by potential interest rate cuts, but global uncertainties remain a risk.

We continue to explore a range of opportunities, particularly in the innovation and technology space, as we believe these will perform well in the current environment.

Despite the current global uncertainties impacting markets, we are enthusiastic about the long-term investment opportunities available.

- ***What is your 5-year view on Emerging Markets Equities impacted by the recent US election outcome?***
- ***What's the outlook for emerging markets?***

The recent US election outcome presents a mixed but generally positive outlook for emerging markets (EM) equities over the next five years. With EM valuations at generational lows, there is significant potential for recovery and growth, particularly in major economies like China and India, which offer substantial domestic market opportunities.

While US policies could introduce some volatility – especially regarding trade relations – much of the negative sentiment may already be priced in.

As global economic conditions evolve, investors may increasingly favour EM equities for their attractive return prospects, making them a compelling addition to long-term investment strategies.

- ***With the win of Donald Trump in this years US election, What does this mean to Hostplus in reviewing its investments for investors in Australia and overseas?***
- ***With the recent USA Presidential Election are you able to assess any impacts which may reflect is a positive or negative way on investments and inflationary trends?***
- ***What impact will Trump's election have on our superannuation performance, and should we lock our super to cash to protect our investment?***
- ***There's a lot of fear around what Trump will or won't do; how concerned are you and how will future-proof the fund accordingly?***
- ***How is the Trump administration going to affect your investments overseas?***
- ***With a change in US leadership in 2025 and their Presidents aggressive approach to the global financial world/tariffs etc what is the funds view and strategy to manage this given the influence it will have on markets?***
- ***Now that the US Elections have been decided, what is your view on the movement of Local and International Markets and how are you mitigating for market volatility?***
- ***What is your view on how the new Trump Admin will impact markets with tariffs and less co-operation with China and Europe?***
- ***With America electing Trump as their President what effect will this have on our superannuation performance and should we lock our super to cash as to protect our investment?***
- ***There's a lot of fear around what Trump will or won't do; how concerned are you and how will future-proof the fund accordingly?***

The US Presidential election outcome has had varied impacts on global investment markets to date.

The Trump Presidency is likely to boost US stock markets and strengthen the US dollar, while introducing volatility in global trade and challenges for emerging markets due to potential tariffs and protectionist policies.

More specifically, the new administration is expected to adopt a less favourable stance towards free trade, which could lead to more protectionist measures. This shift may impact international trade dynamics and relationships.

On the other hand, the administration is likely to focus on reducing regulations, making it easier for businesses and individuals to operate. This could stimulate economic activity by lowering compliance costs and encouraging entrepreneurship.

Based on this, our portfolio investments – particularly in private markets and venture capital – are well positioned for these conditions.

It is however still too early to predict or assess policy outcomes.

More broadly across the world, we are seeing more of a focus on domestic manufacturing and production, innovation and securing supply chains.

We also believe that in a world where power is distributed among various nations, we will continue to see greater market volatility than in the past, with ongoing variability year-to-year.

Despite the volatility, equity markets are reaching new highs, driven by factors such as a decisive election outcome and proposals for lower corporate taxes in the US. These elements contribute to a more optimistic outlook for corporate profitability and investment.

The current global investment environment reinforces the importance of our long-term investment strategy, which is focused on active management of a highly diversified portfolio, to help mitigate the impacts of market volatility.

We do not believe timing markets is an effective investment strategy.

We also encourage members to seek advice which considers their personal circumstances and objectives before making investment decisions.

Asset Allocation / Investment Strategy

- ***With Australian Supers' \$1.1B write-down on Pluralsight can you give us some insight on the Hostplus strategy when it comes to private equity deals?***

Consistent with our broader portfolio approach, our private equity strategy is designed to achieve strong long-term returns while managing risk through diversification and expert partnerships.

We invest in private equity both domestically and internationally and through a mix of investment opportunities that help mitigate risk and capitalise on growth opportunities.

We have a bias towards fast growing companies that do not take on a lot of debt and venture backed start-ups with smaller initial cash equity. We are not exposed to the larger leveraged buy outs.

Through strong collaboration with our external investment managers and consultants, we gain access to top-tier investment opportunities that represent potential for strong risk-adjusted returns for our members.

- ***Will we see the day that super funds act like a housing cooperative and build members' homes?***
- ***Is Hostplus considering offering any build-to-rent investment options to its members? If yes, what is the timeline and scope of this strategy?***
- ***Hi Hostplus looking in to investing any domestic housing projects to assist in addressing the housing shortages***

Hostplus has been active in building residential homes within Australia based on the potential for these investments to deliver strong risk-adjusted returns to our members.

Since 2014 Hostplus' investments have contributed to the delivery of over 7,600 residential Build to Sell (BTS) land lots or dwellings, with active engagement with the market to increase this by a further 2,200 dwellings nationally.

Whilst there are legislative restrictions on Hostplus utilising member funds to house members directly, Hostplus continues to review Build to Rent (BTR) opportunities through our investment managers. Hostplus' investment in numerous retail shopping centre holdings provides an example of this. These investments, made on the basis of risk-adjusted return potential, also have ability to utilise undeveloped land potentially for BTR. These funds are in the planning and review stage to test the viability of housing on underutilised land.

Hostplus is also separately working with IFM Investors, alongside other industry superannuation funds, regarding potential participation in the provision of co-investment finance for a portion of the 40,000 social and affordable homes through the Housing Australia Future Fund and the National Housing Accord.

We will continue to investigate housing investment products noting that our primary responsibility is to act in the best financial interests of our members in relation to all investment activities.

- ***With 4 trillion in super funds which is more than the ASX at 3.2 trillion, when will we see portfolios in private equity, infrastructure and property (residential) again?***

Nearly 50% of our default Balanced (MySuper) Option is invested in unlisted assets including property, infrastructure, private equity, and venture capital.

Our infrastructure portfolio includes investments in state airports and major train stations, as well as seaports and entertainment precincts.

We also have a highly diversified property portfolio, which includes residential. In fact, since 2014 Hostplus' investment has contributed to the delivery of over 7,600 residential Build to Sell (BTS) land lots or dwellings.

In relation to private equity, Hostplus is one of Australia's biggest super fund investors in venture capital, with more than \$3 billion currently invested in the sector.

These long-term investment opportunities help to further diversify our investment portfolio and spread investment risk with the aim of smoothing out the ups and downs of investment market cycles.

- ***Why does the pre-mixed option, Indexed High Growth, have such a low estimated return target CPI+3%? Based on asset allocation, it seems overly conservative (maybe 0.5 - 1.0% lower than comparable high-growth options).***

The Indexed High Growth Option targets a 100% growth allocation whilst also minimising investment fees and costs. It therefore comprises only two high growth asset classes, being Australian Equities and International Equities – Developed Markets, both of which are managed passively.

This structure results in reduced diversification and hence a reduced ability to manage risk when compared to more diversified strategies, which in turn requires us to be more conservative when specifying long term investment objectives.

- ***The investment presenter seems to be pushing for unlisted investments.... Why not compare unlisted investment against indexed investments over 3,5,7 years?***

We embrace diversification, within and across listed and unlisted asset classes over the long term, which helps us to withstand potential short-term losses and deliver strong, consistent returns over time. The young demographic of our members is one attribute of our fund which gives us the ability to implement such strong portfolio diversification.

For many of our members retirement is upwards of 30 years into the future, which gives us the ability to make asset allocation decisions that are based on longer-term investment horizons. In turn, this opens opportunities across a broader range of investments, such as in the infrastructure, property, private credit and private equity asset classes, helping us to further diversify our portfolio.

In addition to supporting strong diversification, a younger demographic also provides a large net cash inflow. This means that Hostplus is well-positioned to take advantage of unlisted asset opportunities at a greater rate than most other investors.

We remain steadfast in our commitment to diversification, active management and long-term investment opportunities, and we believe this is the key to remaining the best performing superannuation fund over the long-term.

- ***Is the Super Balanced fund managed differently to the Pension Balanced fund?***

The investment strategy for both the Balanced Option and the Pension Balanced Option is the same however, the key difference lies in the tax treatments applied to these options, which can affect the calculation of returns.

- ***I recently read reports in the AFR and Daily Mail that the Super Industry becomes too big due to the high fund volumes already managed (2x size of National GDP) - what do you think about the risk of Supers being too big?***

Gross Domestic Product (GDP) and total super industry assets under management (AUM) measure different aspects of economic activity. GDP is measured over time (a flow variable) while total AUM is measured at a specific point in time (a stock variable) so do not represent a like-for-like comparison.

Notwithstanding this, we believe that the size of the sector is a strength rather than a risk.

As a fund, and a sector, our size allows us to diversify investments across a wide range of asset classes, both domestically and internationally, which helps to manage risks and enhance returns for our members. Our confidence in effectively deploying capital comes from the many and varied opportunities available globally, ensuring that we can continue to provide stable and robust returns.

The growth of the superannuation sector is crucial for supporting the financial security of Australians in retirement. By maintaining a long-term investment strategy and focusing on governance and transparency, we can manage the challenges associated with size and continue to deliver strong outcomes for our members.

- **Can Hostplus start US based index investment options as currently braid international funds only are available?**

The US is heavily represented in both the International Shares Indexed and International Shares Indexed (Hedged) options, comprising over 75% of the market capitalisation of these indices. Accordingly, we do not believe that there is a compelling need to offer less-diversified US-only indexed options.

Climate Change / Renewable Energy

- **Where does supporting nuclear for improving Australia's energy grid, fit with your energy transition and investment strategy into the foreseeable future?**
- **Will Hostplus in the future be considering investing in Nuclear energy?**
- **What are your strategies for investments in renewables and new technology, to mitigate against client change?**

We recognise the need for a just energy transition away from fossil fuels and towards more renewable technologies.

Hostplus has invested in renewable technologies like wind and solar for several years, both in Australia and internationally. Examples of these investments include Tilt Renewables and Terra-Gen.

We also actively explore opportunities to invest in innovative and emerging technologies that seek to support the energy transition.

We have invested early in technologies like nuclear fusion (Commonwealth Fusion Systems), geothermal (Quaise Energy), and green hydrogen (Hysata) based on the risk-adjusted return potential these opportunities represent.

- **When will Hostplus commit to fully divesting from the fossil fuel industry? Is there a timeline for this?**

Hostplus has committed to transition our investments portfolio to net zero emissions by 2050, in line with Australia's commitment to the Paris Agreement. This was announced in March 2022.

- **Climate change has accelerated, financial risk to global markets is now a significant short term issue. Will Hostplus be brave and withdraw their investments in fossil fuel companies that advocate for expansion?**
- **Climate change has accelerated and the financial risk it represents to global markets is now a significant short term issue. Will Hostplus withdraw their investments in fossil fuel companies that advocate for expansion?**
- **Australia's temp is now greater than 1.5 °C- the Paris Agreement has failed. Will Hostplus change investments to align with the latest IPCC report- NO new fossil fuel sources can be opened?**

We understand the urgency of climate action and the important role that responsible investment can play in supporting the energy transition. We also acknowledge there needs to be a just transition and phase-out of coal, oil and natural gas, but the speed of this transition will depend in part upon the rate of further technological developments in clean energy and advancements in sectors that are currently reliant on fossil fuels in the manufacturing process.

As our primary responsibility is to our members best financial interests, our approach favours active ownership and prioritises engagement over divestment.

Through our participation in the Australian Council of Superannuation Investors (ACSI), as well as in partnership with Hermes EOS and our investment managers, we review the climate initiatives of the companies we invest in and engage with them to represent our members' best financial interests.

We believe that simply divesting or selling our holdings does not in-and-of-itself further the objectives of our members and their best financial interests.

We also believe that by taking a collective engagement approach, greater influence can be exerted beyond our own shareholding in an investee company.

You can find out more about our approach to responsible investment [here](#).

The world requires energy to function, and until increased capacity can be created from renewable assets – which we are pursuing in a variety of ways through our infrastructure and venture capital programs – there will remain strong demand for fossil fuel assets, and especially for transitional energy solutions, such as gas.

To date, Hostplus has invested more than \$1.8 billion in climate change and renewable related companies and projects, such as Octopus Australia, Hysata Hydrogen Technology, and Tilt Renewables.

We recognise that some members may want to align the investment of their superannuation savings to their personal values, so we endeavour to accommodate these members through specific investment options such as the Socially Responsible Investment (SRI) – Balanced Option, which has strict ESG screening practices in place.

You can read more about our SRI Options [here](#).

- **Does Hostplus believe Woodside and Santos' boards have the necessary skills required for the energy transition, and if not, would you consider putting forward your own director nominees?**
- **Given Woodside has strayed further from Paris-alignment since this year's AGM, will Hostplus consider voting against the Chair of Woodside's sustainability committee director's re-election in 2025?**

Hostplus' approach to proxy voting decisions is outlined in section 3.2 of our Responsible Investment Policy which is available [here](#).

- **Is there any future Green initiatives that Hostplus will be committed to?**

To date, Hostplus has invested over \$1.8 billion in clean energy and climate-change related companies and initiatives, and we will continue to explore opportunities that have the capacity to deliver long-term risk-adjusted returns to our members.

We have also committed to transition our investments portfolio to net zero emissions by 2050.

- **Please describe the preparation for mandatory climate disclosures, what are you most concerned about regarding climate risks surfaced?**

We will prepare our climate change disclosures in accordance with the mandatory reporting requirements for the Australian Sustainability Reporting Standards.

The purpose of the requisite sustainability report will be to disclose the potential financial impacts of climate related risks and opportunities for the fund and how they are being managed.

We welcome this process and the opportunity to further enhance our efforts in this area.

- **What are you doing to influence major Australian companies to reduce carbon emissions and reduce climate change?**
- **How are you managing exposure to climate sensitive sectors in the investment portfolios and what are the plans for divestment (if any) or sensitive sectors such as fossil fuels?**
- **Why do you still have major investments in Petroleum and Coal? And what are your targets for divestment?**

As set out under the *Superannuation Industry (Supervision) Act 1993* and its associated regulations (SIS), Hostplus must comply with the sole purpose test and has a duty to act in our members' best financial interests. These responsibilities guide every decision we make, and great care is taken to ensure each action fulfils these duties.

To that end, Hostplus recognises that climate change may influence the performance of the Fund's investments over time and that the impact will be dependent on the extent of physical, social and regulatory changes. Hostplus also recognises that it must, in the best financial interests of members, manage the financial risk due to climate change within the portfolio by incorporating climate change considerations into the investment decision making process.

Active ownership, through engagement and proxy voting, is critical to the governance of investments over the long-term. It is also an effective strategy for positively influencing company behaviour and performance and can therefore contribute positively to long-term returns.

Regarding Australian companies, Hostplus undertakes active ownership by exerting influence through the voting process, investee company engagement, collaboration and advocacy with the aim of ensuring that the companies in which Hostplus invests are governed and operated in a manner which produces the best possible long-term financial benefit for its members.

You can learn more about our approach to responsible investment on our website [here](#).

- **Ethical filters apply to all fund options so why choose ESG specific funds?**

While the Controversial Weapons Divestment Policy is applicable to all investment options, the Socially Responsible Investment (SRI) Options also have additional exclusions related to fossil fuels, gambling and other industries.

You can learn more about our SRI Options and the additional exclusions that apply to them [here](#).

Responsible Investment

- ***From 2023 research, Hostplus had invested in 8 companies the UN found operating in the Occupied Palestinian Territory. Isn't this a financial risk, and when will you divest from profits from illegal (per ICJ) occupation?***
- ***How much investment does Hostplus have in Israeli companies, particularly those associated with the military and the government? This question is raised in the context of the recent ICC and UN resolutions on Israel.***

Hostplus' Responsible Investment Policy, which outlines our position and ongoing approach to investment decisions and monitoring, is available on our website [here](#). We refer to Section 3.4 of this policy, which outlines our approach to escalation, divestment and exclusions.

Hostplus is required by law to act in its members' best financial interests and meet our sole purpose obligations under the *Superannuation Industry (Supervision) Act 1993* (SIS Act). Consistent with these obligations, Hostplus integrates ESG considerations in its investment decision making.

Our portfolio holdings are consistent with the above statutory and fiduciary duties and with our stated policies. Furthermore, they are routinely reviewed to ensure this remains so.

Hostplus' investment policies are developed and applied in accordance with Australian law, the international treaties and conventions to which Australia is a party, and in following Australian government direction relating to specific portfolio holdings.

Hostplus does not provide a breakdown of asset allocation by geography as the domiciled location of a company does not necessarily align with the geographic source of revenue. However, investment holding information for all Hostplus' investment options is available on our website [here](#).

Investment Operations

- ***Who's the underlying fund manager for the index options? The ICRs for the index options seems very very low even for passive index fund.***

Hostplus' equity index products are managed by IFM Investors Pty Limited, and our Fixed Interest investment products are managed by BlackRock Asset Management Australia Limited. These holdings are disclosed within our product disclosure holding reports, which are published every 6 months for each investment option.

To ensure that Hostplus members can maximise their returns, we leverage our scale and our strategic relationships to support competitive fee arrangements across all our asset classes and investment products.

It is also important to note that our unit prices, which are calculated by our custodian, are net of fees and taxes.

Product & Investment Options

Cryptocurrency / Bitcoin

- *Will Cryptocurrency be added to investment pool at hostplus in near future?*
- *Will crypto be considered / included in the portfolio?*
- *Is there any update on plans to allow exposure to Crypto ETFs after the clear success and volume after the launch in the US??*
- *Why doesn't your super fund offer a Bitcoin allocation, given that its 10-year returns average 68.3% pa, while your balanced portfolio averages only 8.39%, underperforming benchmarks such as the SP500 (14.7%pa)?*
- *Private Equity/ Crypto an investment option anyone considering?*
- *Please advise when members will be able to get exposure to Bitcoin ETFs via ChoicePlus, the best performing asset in 11 of the last 14 years? Thank you*
- *If haven't, would you consider to invest the customers' Superannuation in cryptocurrency in future? If yes, when is the expected date?*
- *I would like to be able to invest some of my superannuation in bitcoin, is this fund going to offer this option?*
- *Is it possible to invest in bitcoin with Hostplus?*
- *When will the new asset class cryptocurrency be added to our investment options?*
- *With multiple states in the USA already looking to legislate strategic bitcoin reserves, and similar discussions at the federal level, is Hostplus going to front run the Aus Fed Government and invest in Bitcoin first?*

We understand that many members are eager to invest in cryptocurrency. However, these products are not currently available as part of our investment option menu due to ongoing regulatory uncertainties and concerns about market volatility.

Australian regulators are working to establish clear guidelines to ensure investor protection and market integrity in relation to cryptocurrency. We will continue to monitor developments in this area and assess whether the inclusion of cryptocurrency represents the best financial interests of our members once these frameworks are in place.

We do not currently have any immediate plans to provide exposure to cryptocurrency as part of our Choiceplus offering or more broadly.

- *The question regarding adding Bitcoin exposure stated that there was no regulatory framework. Has Hostplus read the ASIC guidance on crypto-asset related investment products dated October 2021?*

We closely monitor information and guidance from the regulators in relation to this area. We note the recent consultation paper and draft updated guidance on *Digital Assets: Financial Products and Services* released by the Australian Securities Investment Commission on 4 December 2024. We look forward to reviewing the outcome of this consultation and will continue to monitor progress relating to the development and implementation of government and regulatory frameworks on this issue more broadly. This outcome will help inform our consideration of incorporating cryptocurrency in our investment menu.

- *The most important question, with the funds pool, will cryptocurrency and gold/silver assets be looked at in the future as part of the investment portfolio? And will put options be used to hedge downward movements?*
- *Can we invest in gold?*

Commodities, such as gold and silver, can act as hedges to both market volatility and to inflation. Other less speculative asset classes, such as property and infrastructure, can also demonstrate these attributes and as such we have favoured these asset classes in our portfolio construction to date. For the same reason, we have not sought to use put options for volatility management.

Hostplus currently offers access to Gold and Silver ETFs via our Choiceplus direct investment platform.

Fees & Costs

- *What action is Hostplus taking to bring the total fees and costs for a pension member in the Balanced option down below the industry median? (Refer page 12, FY23 Member Outcomes Assessment)*

Reducing investment fees is a priority for Hostplus. However, the Balanced Option is strategically focused on delivering the best net returns (investment returns after fees, costs, and taxes) for a given level of risk.

This long-term approach has proven effective, recognising that while cost is an important factor, performance after fees ultimately determines the value and growth of members' retirement savings. According to SuperRatings Pension Benchmark Report 2024, over the ten years to 31 December 2023, Hostplus Balanced Pension option Net Benefit to a member with a \$300,000 starting balance and a 5% drawdown rate of \$325,492 sits above the Super Ratings All Fund Median of and within the top quartile of funds.

Our Balanced Pension option has also earned industry recognition, receiving the 15-year Platinum Performance rating from SuperRatings (2009 – 2024), as well as the 2024 Canstar Outstanding Value – Account Based Pension award. As one of only six account-based pension products to receive the latter rating, it underscores the exceptional value we provide to our retired members.

For members seeking a low-cost investment approach, Hostplus offers several Indexed investment options, including the popular Indexed Balanced option, which focuses on minimising investment fees and costs. This was recognised with the 2025 SuperRatings Best Low-Cost Offering award. You can find out more about our indexed options [here](#).

- ***Why are the fees in a pension phase typically more than in a superannuation phase? (Some funds are offering the same fees for both services)***

Fees in the pension phase are typically higher than in the accumulation phase due to more complex administration and regulatory requirements. Additionally, managing the tax benefits and compliance in the pension phase adds to the overall costs.

At Hostplus, we are committed to keeping fees as low as possible for all our members, whether in the accumulation or pension phase. While it does cost more to administer our pension product, our fee structure is designed to remain fair and sustainable for everyone.

It is important to note that Hostplus does not charge asset-based percentage fees for administration, which many other funds do. Instead, we apply fixed dollar administration fees across both superannuation and pension accounts, regardless of your balance. This approach often results in lower administration costs for members given the higher account balances in pension.

Choiceplus

- ***Australian Super Member Direct has had major changes. Will ChoicePlus be made competitive with similar changes? Specifically, the removal of the 80% limit if using ETFs. And the removal of limits with broad market ETFs.***
- ***Considering Australian Super Member Direct has now removed 80% limit when using ETFs and also removal of limits when using broad market ETFs. Will you make similar changes to choiceplus?***
- ***Another superfund (Australian Super) have recently removed the 80% limitation for their member direct investments making their offering much more attractive. Any chance HostPlus will do the same with ChoicePlus offerings?***

We review our product settings and investment offerings annually to ensure that our product value proposition remains relevant, competitive and meets members' financial needs, objectives, and risk appetite, while meeting our fiduciary obligations.

Based on member feedback, we increased the holding limits on several diversified ETFs at the most recent review of Choiceplus in 2024 allowing members to invest up to 50% of their account balance in these options.

These limits, broader product settings and investment offerings will be reviewed again as part of the 2025 Choiceplus product review and will consider member feedback, competitive landscape and our fiduciary obligations.

- ***I would like to know how Hostplus selects shares that members can buy through Choiceplus, and whether there are plans to expand what can be bought.***
- ***ChoicePlus doesn't allow me to invest in Betashares DHHF an ETF with 8,000 stocks. But it will allow me to invest 80% of my account in four Big Banks. Why the lack of diversification?***
- ***Are you looking to improve the ChoicePlus offering of ETFs available?***
- ***When will ChoicePlus enable us to invest our retirement savings in any ASX or CBOE Australia listed products?***
- ***Any plans to enable Wall St access on ChoicePlus?***
- ***Can ChoicePlus please broaden the investment choices and open up our ability to invest in much larger individual stocks listed on the NASDAQ and NYSE in the USA. eg. Apple, NVidia?***

We undertake a comprehensive annual review of the Choiceplus Approved Product List in collaboration with Lonsec Research, who make recommendations regarding the addition or removal of available products based on their expert analysis.

This assessment is driven by Hostplus' investment selection criteria, Lonsec ratings and recommendations, member feedback and demand, and analysis of emerging and best of breed ETFs and LICs at the time of the review.

This review process helps to ensure the Choiceplus investment menu maintains a range of well rated and compliant products that represent choice and diversity across various markets, geographies and sectors.

Currently, members can invest in any shares included in the S&P/ASX 300 Index through our Choiceplus direct investment platform. The S&P/ASX 300 Index incorporates the largest 300 companies on the Australian Stock Exchange by market capitalisation.

You can also invest in a selection of over 75 ASX listed exchange traded funds and listed investment companies that provide exposure to Australian and international markets, asset classes, strategies, sectors, and geographies.

Given member demand and expectations, we will determine the suitability of the requested ETFs as part of our upcoming review in 2025.

- **Are there any plans to enhance the Choice Plus direct investment experience? eg Enabling direct contributions to go to the cash management account ready to invest the same day?**
- **Are you looking to introduce the ability to transfer your ChoicePlus ETFs from your super to your pension account without the need to sell down and realise gains?**

We regularly review our product rules, settings and capabilities to deliver enhancements for members invested in Choiceplus. Most recently these enhancements have led to a reduction in fees as well as changes to investment limits.

There are currently no plans to enable direct contributions into a cash management account to support same-day investment.

We can confirm that members are already able to transfer their shares and ETFs from Super to Pension without a sell-down.

- **How can Hostplus decrease dealing fees for Hostplus Choice?**
- **Choice Plus brokerage fees. Stake & Moomoo (being for profit) in 2024 offer \$3 or 0.01%. HostPlus is not for profit charges more despite having a larger scale. Does ChoicePlus plan to bring its members 2024 market fees?**
- **When will ChoicePlus brokerage fees be reduced and also stop using % of trade amount, which are very high when compared to other retail platforms. eg. Stake, Interactive Brokers?**

Brokerage fees represent the amount charged by our broker for the execution of trades. Naturally, a direct investment platform like Choiceplus attracts higher fees than other options due to the level of service required to deliver the volume and frequency of trades.

That's why we offer a range of investment options to cater to a broad range of investment styles and objectives so that you can find the right one for your personal circumstances.

Reducing investment fees is a priority for Hostplus but overall, we believe Choiceplus is one of the lowest-cost direct investment options available for super fund members. In fact, in 2023 we announced a reduction in the Choiceplus Portfolio Administration, Transaction Account and Brokerage Fees, which we estimate has helped a typical Choiceplus member save approximately \$54 per year.

As our scale grows, Hostplus will continue to negotiate the minimisation of these fees in the same way it does across all suppliers.

Retirement Income Strategy

- **Many public superfunds offer a 'Retirement Booster' which acts as a CGT provision release when converting to pension. Any plans for HostPlus to offer something similar for pooled fund options?**
- **Is there a plan in the very near future and if yes when can we members avail of a retirement bonus similar (hoping better) to other super funds' offering to retiring members?**
- **Over the past few years quite a number of superfunds started providing a balance booster or retirement bonus when a member moves from accumulation into pension phase. What are HOST's plans on introducing such a bonus?**

A retirement bonus refers to a refund of money that super funds have set aside to cover potential capital gains tax liabilities.

Since retirees do not pay tax on investment earnings in the retirement phase, a retirement bonus is a potential means of returning some of this money to the member.

There is no standard eligibility or amount when it comes to retirement bonuses, which is why these offerings differ between superfunds.

Hostplus will introduce a retirement bonus, however we are currently exploring the operational implications of introducing this feature.

We expect to be able to provide an update to members in early 2025.

- ***Do you have members keeping their money in the accumulated funds until they die?***

Yes, there is no requirement for a member to move their superannuation into a pension phase upon retirement.

We offer a range of services and support to help members to understand the product and investment options available to them in retirement, as well as the potential benefits. This includes financial planning and advice services as well as educational materials and webinars.

You can find out more about our retirement offering [here](#)

Investment Options

- ***Does Hostplus have any passively managed options that are designed to beat the share market index?***

Hostplus offers members a choice of 10 indexed investment options – 6 pre-mixed and 4 single asset class options – which are focused on minimising investment fees and costs largely through passive investments.

The investments within these options track selected market indices, such as the ASX200 or the S&P500, which they generally do by replicating the market index.

Our Indexed Balanced offering has received several industry accolades including Best Low-Cost Offering at the Super Review Super Fund of the Year Awards 2024 and Money magazine's Best Balanced Super Product in the 2024 Best of the Best Awards. Lonsec has also endorsed Hostplus' Indexed Balanced option with their 2024 Recommended Rating.

Hostplus offers a broad range of actively managed options focused on delivering the best net return for a given level of risk for members who prefer this investment style.

- ***Why were the hedged index international shares option total fees cheaper than the unhedged version of the same fund? Hedging incurs a cost.***

The International Shares Indexed Investment Option incurred lower investment operational expenses than the International Shares Indexed Hedged Investment Option.

However, under the RG97 regime Hostplus discloses not just management and performance fees, but also other costs such as asset consultancy fees, custody costs, valuation costs, and professional fees. These additional costs are disclosed within the ratios that are calculated by Hostplus.

Hence, in the FY24 Hostplus can confirm that the portfolio accounts that back the International Indexed Shares Investment Option incurred higher costs (such as custody costs) than the portfolio accounts that back the International Index Shares Hedged Investment Option. These costs are based on the actual costs incurred for the year ended 30 June 2024.

- ***With ever increasing super funds is there a limit on index funds that industry super funds can invest in?***

No, there are very few constraints regarding the creation of indices, and many thousands of them exist globally.

Indices attempt to provide a broad, proportional representation of a particular investable market and the explosion in Exchange Traded Funds (ETFs) has also led to a proliferation of indices.

Not all of these indices would be considered credible though, and furthermore many would not be sufficiently diversified such that they would be considered credible by a fiduciary such as Hostplus.

The most credible indices are those from listed exchanges or reputable financial organisations such as Standard & Poor's (S&P), Bloomberg, and MSCI.

Hostplus ensures that any indices used in our investment options are appropriate, credible and provided by reputable financial organisations to support quality outcomes for our members in accordance with our obligations.

- ***Can the investments making up an indexed fund change? How does an ETF compare to HostPlus indexed fund?***

Yes, the investments that make up the Hostplus indexed options can change. Even though these options are passively managed, the specific investments within them may be updated to ensure the fund continues to meet its investment objectives and accurately track the intended index. This can happen due to rebalancing, changes in index composition, or adjustments to reflect market conditions. Hostplus regularly reviews and adjusts its investment strategies and allocations to optimise performance and manage risks.

Both ETFs and Hostplus' Indexed options aim to track the performance of the markets in which they invest and offer low fees due to their passive management style. However, there are some key differences. For example, an equity ETF will typically track a specific market index (such as the ASX200), whereas Hostplus' pre-mixed indexed options generally offer greater diversification across multiple markets rather than tracking a single specific index. Additionally, some members prefer the accessibility and flexibility of selecting the ETFs they wish to invest in through our direct investment platform, Choiceplus.

- ***Hello, I know I am not the only one who wants an answer to this question which is why HostPlus can't offer SMSF investors in accumulation phase a no tax withheld vehicle like any ETF or investment fund does?***

Hostplus' investments are managed under a Pooled Superannuation Trust (PST) which is a tax-paid investment vehicle unlike ETFs and managed investment schemes.

You can find our SMI tax guide and other useful resources for SMSF investors on our website [here](#).

- ***Hi, Are there any more "indexed" investment options coming in? Thanks.***

On 1 October 2024 we introduced an additional 3 premixed indexed options – Indexed Growth, Indexed Conservative Balanced, and Indexed Capital Stable. This means we now offer 6 pre-mixed indexed investment options spanning a broad risk/return range. We also offer 4 indexed single-sector options.

We review our product settings and investment offerings annually to ensure it continues to meet the needs and objectives of our members.

- ***Does Hostplus offer a managed fund for members where they can invest additional funds outside of superannuation? A non-super balanced fund would be great!***

Hostplus does not offer a managed fund for investments outside superannuation. We remain solely focused on providing superannuation products and services that are designed to support our members to achieve their retirement goals.

Capital Gains Tax

- ***Can you please explain how Hostplus provisions for unrealised CGT liabilities? To what extent do these provisions impact member balances?***

Unrealised CGT liabilities are factored into the tax accruals incorporated within the daily unit prices applied to each individual investment option. These unit prices dictate the investment earnings (investment returns after fees and tax) that are applied to a member's account contributing to their final account balance. These tax accruals are reviewed and adjusted as appropriate on an annual basis or more frequently where it is deemed appropriate.

CPIplus

- ***How is CPIplus compared to Balanced?***

CPIplus and the Balanced option provide fundamentally different offerings for our pension members in terms of their return objectives and risk profiles. The Balanced option targets a higher return objective and comes with a higher level of risk, while CPIplus aims for a lower-risk profile with a more stable and consistent return.

Although CPIplus is invested in the same pool of assets as the Balanced option, its returns are determined by a formula rather than the underlying performance of the assets. The current return formula for CPIplus is CPI + 2.50%, providing members with more predictable investment returns. Furthermore, the option includes a return floor, meaning that returns won't be negative.

This structure ensures CPIplus delivers a stable, low-risk investment option for members who prioritise consistency and security in their returns.

You can find out more about our pension investment options [here](#).

- ***When sending out the Quarterly CPIplus interest update would it be possible to show the actual result of the calculation on the sheet ie the interest rate for the 3 months?***

Thank you for your suggestion, we greatly value your feedback. In line with our continuous improvement approach, we are currently exploring how we report CPIplus rates each quarter following the release of official CPI rates.

Meeting conclusion

The Chair thanked the audience for attending and said how pleased he was to see so many engaged members. He reminded them that answers to all questions would be posted on Hostplus' website within 30 days, along with the recording of the AMM. He wished everyone and their families a very safe and happy festive season.

The Chair declared the meeting closed at 12:25pm (AEDT).



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