



HOSTPLUS

Hostplus Self-Managed Invest for advisers.

Built by one of Australia's leading super funds, Hostplus SMI offers unique access to investment opportunities, real control, consistent performance, and a supportive experience.

Welcome to Hostplus SMI

We believe in the value of advice.
That's why we work closely with
advisers like you to help you get
the best retirement outcomes for
your clients.

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Access opportunity.

Why Hostplus Self-Managed Invest?

Hostplus Self-Managed Invest (SMI) makes it easy for your self-managed super fund (SMSF) clients to build strong and diversified portfolios that strive to deliver growth, income and a better future.

Give clients the best of both worlds

We're the first industry super fund to offer SMSF investors the flexibility of an SMSF while providing hard-to-access and unique high-performing investments.²

With Hostplus SMI your clients can invest through their own SMSF with us. You choose what their super is invested in, giving you and your clients total control over how they build a portfolio.

Discover the benefits for your clients

Hostplus SMI allows you to find reliable financial performance to support your SMSF clients' lives, plans and purpose.



Greater diversification

to protect your clients' portfolios.



More opportunity

to build your clients' portfolio value.



Investments that build

retirement income.



A unique alternative

to traditional defensive and growth investments.

2. Source: According to the SuperRatings Accumulation Crediting Rate Survey – SR50 Balanced (60-76) Index, December 2020, the Hostplus super fund Balanced option has ranked in the top five over five to 20-year time periods. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Great features for your SMSF clients

Hostplus SMI makes it easy for you and your SMSF clients to build strong portfolios that deliver growth, income and a better future.

Access to unique assets

Listed and unlisted investments previously only available to Hostplus members as part of our diversified balanced option, including:



**Unlisted domestic
and international
property**
(institutional grade)



**Unlisted
infrastructure**



**Private equity and
venture capital**

Six investment options to choose from

Giving your clients access to a wide range of some of our most popular assets and investment strategies.

Pre-mixed

- Balanced
- Indexed Balanced

Sector-specific

- Infrastructure
- Property

Individual managers

- IFM Australian Infrastructure
- Industry Super Property Trust – Property Infrastructure



Market-leading investment returns

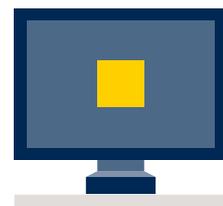
Including our top-5-ranked Balanced Investment option (over 5, 7, 10, 15 and 20 years).³

\$10k Low initial investment
plus daily liquidity

So you can invest the way you want to.

\$165 p.a. Fixed
administration fee

\$240 p.a. Joining fee



**Simple, digital
application and
experience**

For no-hassle admin.

3. Source: According to the SuperRatings Accumulation Crediting Rate Survey – SR50 Balanced (60-76) Index, December 2020, the Hostplus super fund Balanced option has ranked in the top five over five to 20-year time periods. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Simplicity and control.

Why Hostplus SMI for advisers?

Hostplus SMI simplifies the process of finding and managing great investment opportunities for your SMSF clients. It's easy for advisers to understand and work with, taking all the hassle out of administration, compliance and reporting.



Simple for advisers to work with

So you can spend more time on your clients and your business.



Easy, digital application and management

Through our adviser portal.



An easier approach to reporting and compliance

Saving you time and hassle.



A complete view of your clients' portfolios

Our comprehensive, integrated reporting gives you a complete view of your clients' portfolios.



Tools and resources to boost your effectiveness

Including webinars and world-class global and domestic research.

Scale and experience.

Why partner with Hostplus?

As one of Australia's largest super funds,⁴ we have a long history of exceeding our investment goals – using our scale, expertise and experience to support your SMSF clients' life, plans and purpose.

1.3m
members (approx)

Over
\$50bn
in funds under
management (approx)

(as at 31 December 2020)

Top
5



ranking

for our Balanced Investment option over 5, 7, 10, 15 and 20 years.⁵

World-class asset managers

From our in-house team plus IFM Investors, BlackRock, Wellington, ISPT and Bridgewater.



10 to 20-year investment strategies

Long-term thinking that really delivers.

Multi-awarded

Hostplus SMI is a multi award-winning investment innovation for SMSFs, recognised by a range of leading independent ratings agencies and research houses.



SuperRatings' Best New Innovation Award 2020



Money Magazine's Best Innovative Super Service Award 2020



Canstar's Innovation Excellence Award 2020

The rating is issued by SuperRatings Pty Ltd ABN 95 100 192 283 AFSL 311880 (SuperRatings). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and SuperRatings assumes no obligation to update. SuperRatings uses objective criteria and receives a fee for publishing awards. Visit superratings.com.au for ratings information and to access the full report. © 2021 SuperRatings. All rights reserved. The Canstar 2020 Innovation Excellence Award was received in 2020 for Hostplus Self-Managed Invest.

4. Source: APRA Annual fund-level Superannuation Statistics June 2020, issued 16 December 2020 based on total assets under management.

5. Source: According to the SuperRatings Accumulation Crediting Rate Survey – SR50 Balanced (60-76) Index, December 2020, the Hostplus super fund Balanced option has ranked in the top five over five to 20-year time periods. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a fund.



Expertise that delivers.

Our investment philosophy

Our approach to investing is driven by our strong, diverse and proven investment beliefs. That's why our investment portfolio looks different – and historically performs well.

Key principles that shape how we build portfolios

1. They should be well diversified to produce returns and reduce risk.
2. They should provide a healthy income stream from a range of sources to support returns, given our expectations for low capital growth across asset classes.
3. They should focus on active management, because in a low-return world, any additional returns that can be generated by actively selecting assets and managing risk will be highly valuable.
4. Each of our six investment options follows its own distinct investment strategy and is designed to help your clients achieve a certain investment objective for the level of risk they prefer.

Read more about our portfolio construction on page 20.

Key ways we're different

1. **We're long term:** Our predominantly young membership allows us to invest for the long term.
2. **We have firepower:** Our large net cashflow gives us the firepower to quickly take advantage of investment opportunities.
3. **We're well positioned:** Because of our long-term focus, we have a high tolerance for illiquid assets that perform, such as unlisted property, infrastructure and private equity.
4. **We're diversified:** Our comprehensive diversification allows us to better control and mitigate risks.
5. **We're resilient:** Our resilient investment strategy means we can quickly recover from adverse market events.
6. **We're connected:** We outsource our investment management because it's in our investors' best interests to take advantage of the expertise and quality services available through our external investment managers and investment consultant, JANA.

Investment options.

Daily liquidity across six investment options

Our SMI investment options give you and your clients access to a wide range of assets and investment strategies. Importantly, each investment option offers daily liquidity and a low initial investment amount. So your clients enjoy the comfort and flexibility to invest when and how they want – and the freedom to access funds when they need to.

Style of fund	Name of fund	
<p>Pre-mixed</p> <p>Diversified options invested across a wide range of asset classes.</p>	<p>Balanced option</p> <p>A highly diversified, actively managed portfolio with a high proportion of unlisted assets such as property, infrastructure and private equity.</p>	<p>Indexed Balanced option</p> <p>Our lowest cost diversified portfolio – passively managed to target index-like returns.</p>
<p>Sector-specific</p> <p>Investment options that target assets in specific industries likely to perform well over the long term.</p>	<p>Infrastructure option</p> <p>A diversified portfolio of unlisted Australian and global infrastructure assets typically unavailable to SMSF or retail investors, generating a strong mix of cash yield and capital growth.</p>	<p>Property option</p> <p>A diversified portfolio of quality Australian and international unlisted property assets, generating income and capital growth.</p>
<p>Individual managers</p> <p>Infrastructure and property portfolios managed by iconic Australian investment managers.</p>	<p>IFM Australian Infrastructure option</p> <p>An extensive portfolio of quality unlisted Australian infrastructure assets managed by the iconic IFM Investors.</p>	<p>ISPT Property option</p> <p>A diversified portfolio of quality unlisted Australian property assets, managed by Industry Super Property Trust.</p>

More information on each investment option can be found on pages 11-16.

Pre-mixed.

Balanced option

Our 'flagship' default investment option for superannuation members – with industry-leading returns – is now available to SMSF investors.



TOP-5-performing fund over 5, 7, 10, 15 and 20 years.

Overview

With 76% of its investments in growth assets, Hostplus Balanced is actively managed across a highly diversified range of asset classes, including listed equity, property, infrastructure, credit, alternatives, private equity and venture capital.

World-class investment managers

Managed by some of the world's largest and most experienced asset managers, including IFM Investors, Baillie Gifford, ISPT and First Sentier. For a full list of our investment managers please refer to hostplus.com.au/investment/investment-governance.

This option may suit

SMSF investors who want an extensively diversified, actively managed investment portfolio over a medium to long-term investment horizon.

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Performance records for the SMI Balanced option start on 27 Nov 2017. Investment returns prior to that date reflect the returns of the identically named (non-SMI) Hostplus investment option, which follows the same investment strategy. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Investment style

A diversified, actively managed investment portfolio, including some growth assets and some lower risk investments.

Level of investment risk¹



Likelihood of negative returns²

3 to less than 4 years out of every 20 years

	Accumulation		Pension	
	Over 10 yrs CPI + 3.0%	Over 20 yrs CPI + 4.0%	Over 10 yrs CPI + 3.5%	Over 20 yrs CPI + 5.0%
Return target p.a. on average				
Minimum suggested time frame ³	5 years +		5 years +	
Net return to 31 Dec 2020 p.a. ³				
Net return since SMI inception to 31 Dec 2020 p.a. ³	6.23% (27 Nov 2017)		7.06% (27 Nov 2017)	
Net return since super fund inception to 31 Dec 2020 p.a.	8.79% (1 Mar 1988)		9.62% (19 Sep 2009)	

Strategic Asset Allocation



	Asset class	Benchmark	Range %
Listed equities	Australian equities	21%	10-40%
	International equities – Developed markets	21%	10-40%
	International equities – Emerging markets	8%	0-15%
Unlisted assets	Property	13%	0-30%
	Infrastructure	12%	0-30%
	Private equity	8%	0-20%
	Credit	7%	0-20%
	Alternatives	5%	0-20%
Bonds and cash	Diversified fixed interest	0%	0-20%
	Cash	5%	0-15%

Growth / defensive asset mix

76% growth / 24% defensive

Pre-mixed.

Indexed Balanced option

One of the lowest cost diversified portfolios available – passively managed to target index-like returns.

Overview

Indexed Balanced is globally diversified across international equities (partially hedged to reduce the amount of foreign currency exposure), Australian equities, global fixed interest, Australian fixed interest and cash. The benchmarks used for this option include:

- S&P/ASX 200 Accumulation Index
- MSCI World ex-Australia Index
- Barclays Global Aggregate Index (hedged in AUD with net dividends reinvested)
- Bloomberg AusBond Composite All Maturities Index
- Bloomberg AusBond Bank Bill Index.

World-class investment managers

Managed by some of the world's largest and most experienced asset managers, including IFM Investors and BlackRock. For a full list of our investment managers please refer to hostplus.com.au/investment/investment-governance.

This option may suit

SMSF investors who want a low-cost, passively managed, diversified portfolio with a proven track record.

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Performance records for the SMI Indexed Balanced option start on 27 Nov 2017. Investment returns prior to that date reflect the returns of the identically named (non-SMI) Hostplus investment option, which follows the same investment strategy. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Investment style

A diversified, passively managed investment portfolio, including some growth assets and some lower risk investments.

Level of investment risk¹

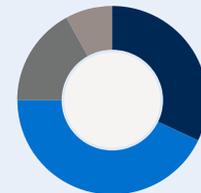


Likelihood of negative returns²

4 to less than 6 years out of every 20 years

Return target p.a. on average	Accumulation		Pension	
	Over 10 yrs CPI + 1.5%	Over 20 yrs CPI + 2.5%	Over 10 yrs CPI + 2.0%	Over 20 yrs CPI + 3.5%
Minimum suggested time frame ²	5 years +		5 years +	
Net return to 31 Dec 2020 p.a. ³				
Net return since SMI inception to 31 Dec 2020 p.a. ³	7.01% (27 Nov 2017)		7.86% (27 Nov 2017)	
Net return since super fund inception to 31 Dec 2020 p.a.	8.40% (1 Dec 2010)		9.32% (1 Dec 2010)	

Strategic Asset Allocation



	Asset class	Benchmark	Range %
Listed equities	Australian equities	32%	25-55%
	International equities – Developed markets	43%	25-55%
	International equities – Emerging markets	0%	0-10%
Bonds and cash	Diversified fixed interest	17%	10-30%
	Cash	8%	0-20%

Growth / defensive asset mix

75% growth / 25% defensive

Sector-specific.

Infrastructure option

A diversified portfolio of unlisted Australian and global infrastructure assets, actively managed to generate a strong mix of cash yield and capital growth.

Overview

Infrastructure invests in tangible assets usually not available to SMSF or retail investors. Additionally, Hostplus identifies high-value assets to co-invest directly in, reducing costs and providing exposure to quality assets that will drive long-term returns.

Benefits of these assets:

- Stable income over a long time frame
- Inflation protection, with revenue linked to inflation and economic growth
- Long-term (up to 50+ years) investments
- Essential services offering monopolistic benefits and high barriers to entry.

World-class investment managers

Managed by some of the world's largest and most experienced investment managers, such as IFM, QIC and First Sentier. For a full list of our investment managers please refer to hostplus.com.au/investment/investment-governance.

This option may suit

Patient SMSF investors seeking highly restricted, global, unlisted, institutional-grade infrastructure assets and investment managers, or investors looking for diversification and low volatility.

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Performance records for the SMI Infrastructure option start on 27 May 2019. Investment returns prior to that date reflect the returns of the identically named (non-SMI) Hostplus investment option, which follows the same investment strategy. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Investment style

Long-term direct investment option that invests in tangible infrastructure assets, such as airports, seaports, toll roads, renewable energy and utilities, across Australia.⁴

Level of investment risk¹



Likelihood of negative returns²

3 to less than 4 years out of every 20 years

Return target p.a. on average	Accumulation		Pension	
	Over 10 yrs CPI + 2.0%	Over 20 yrs CPI + 2.5%	Over 10 yrs CPI + 2.5%	Over 20 yrs CPI + 3.5%
Minimum suggested time frame ²	5 years +		5 years +	
Net return to 31 Dec 2020 p.a. ³	1.83% 6 mth	1.83% FYTD	0.46% 1 yr	N/A 3 yr
	3.34% 6 mth	3.34% FYTD	0.51% 1 yr	N/A 3 yr
Net return since SMI inception to 31 Dec 2020 p.a. ³	3.62% (27 May 2019)		4.12% (27 May 2019)	
Net return since super fund inception to 31 Dec 2020 p.a.	2.20% (24 Sep 2019)		2.48% (24 Sep 2019)	

Strategic Asset Allocation



Asset class	Benchmark	Range %
Unlisted assets Infrastructure	100%	0-100%

Growth / defensive asset mix

60% growth / 40% defensive

Sector-specific.

Property option

An actively managed diversified portfolio of high-quality, institutional-grade Australian and international property assets, generating income and capital growth.

Overview

Property offers diversified portfolios across the industrial, retail, residential and commercial property sectors – directly or through property trusts – and backed by best-in-class sustainability programs benchmarked against key industry-approved ESG attributes from Green Star, NABERS and GRESB.

This option offers consistent income through rents from a range of tenants, allowing your clients to diversify their portfolios and help reduce risk.

World-class investment managers

Managed by some of the world's largest and most experienced investment managers, such as ISPT, Charter Hall and Lend Lease. For a full list of our managers please refer to hostplus.com.au/investment/investment-governance.

This option may suit

SMSF investors seeking stable, long-term returns underpinned by a reliable income stream and capital growth.

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Performance records for the SMI Property option start on 27 May 2019. Investment returns prior to that date reflect the returns of the identically named (non-SMI) Hostplus investment option, which follows the same investment strategy. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Investment style

A diversified, actively managed investment portfolio, including a higher proportion of defensive assets.

Level of investment risk¹



Likelihood of negative returns²

4 to less than 6 years out of every 20 years

	Accumulation		Pension	
	Over 10 yrs	Over 20 yrs	Over 10 yrs	Over 20 yrs
Return target p.a. on average	CPI + 2.0%	CPI + 2.0%	CPI + 2.0%	CPI + 3.0%
Minimum suggested time frame ³	7 years +		7 years +	
Net return to 31 Dec 2020 p.a. ³	1.02% 6 mth	1.02% FYTD	-0.64% 1 yr	N/A 3 yr
	1.44% 6 mth	1.44% FYTD	-0.75% 1 yr	N/A 3 yr
Net return since SMI inception to 31 Dec 2020 p.a. ³	1.41% (27 May 2019)		1.54% (27 May 2019)	
Net return since super fund inception to 31 Dec 2020 p.a.	7.03% (1 Jul 2001)		7.51% (19 Sep 2009)	

Strategic Asset Allocation



	Asset class	Benchmark	Range %
Unlisted assets	Property	100%	0-100%

Growth / defensive asset mix

30% growth / 70% defensive

Individual manager.

ISPT Property option

An actively managed diversified portfolio of quality unlisted Australian property assets, managed by Industry Super Property Trust for lower volatility and higher income.

Overview

ISPT Property provides access to a range of unlisted Australian property assets across the commercial, retail and industrial sectors – offering daily liquidity and no limits on redemptions.

Our investments are backed by best-in-class sustainability programs benchmarked to industry-approved rating systems such as Green Star, NABERS and GRESB.

World-class investment management

ISPT is a globally recognised Australian investment manager with \$19 billion in funds under management and over 25 years' experience investing in Australian property.

This option may suit

SMSF investors who want to lower their relative volatility to increase their income yield.

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Performance records for the SMI ISPT Property option start on 27 Nov 2017. Investment returns prior to that date reflect the returns of the identically named (non-SMI) Hostplus investment option, which follows the same investment strategy. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Investment style

A diversified, actively managed investment portfolio, with a lower proportion of growth assets.

Level of investment risk¹



Likelihood of negative returns²

4 to less than 6 years out of every 20 years

	Accumulation		Pension	
	Over 10 yrs	Over 20 yrs	Over 10 yrs	Over 20 yrs
Return target p.a. on average	CPI + 2.0%	CPI + 2.5%	CPI + 2.0%	CPI + 2.5%
Minimum suggested time frame ³	7 years +		7 years +	
Net return to 31 Dec 2020 p.a. ³				
Net return since SMI inception to 31 Dec 2020 p.a. ³	5.00% (27 Nov 2017)		5.56% (27 Nov 2017)	
Net return since super fund inception to 31 Dec 2020 p.a.	7.48% (1 Sep 2004)		8.94% (19 Sep 2009)	

Strategic Asset Allocation



Asset class	Benchmark	Range %
Unlisted assets Property	100%	0-100%

Growth / defensive asset mix

30% growth / 70% defensive

Rated by Lonsec.

Lonsec is Australia's longest established superannuation research, ratings and consulting company. They undertake rigorous analysis on over 600+ superannuation products, covering more than \$1.7 trillion in superannuation savings. Their ratings reflect the ability of the Fund to deliver value for money to members and investors encompassing investment performance, fees and member services.

Ratings definitions

Lonsec's rating system designates financial products under the categories of Highly Recommended, Recommended, Investment Grade, Fund Watch, Redeem and Screened Out.

These ratings reflect Lonsec's degree of conviction in the financial products' ability to generate risk-adjusted returns in line with relevant objectives.

Pre-mixed:

The **Recommended** rating indicates that Lonsec has strong conviction the financial product can generate risk-adjusted returns in line with relevant objectives.



Balanced option



Indexed Balanced option

Sector-specific:

The **Investment Grade** rating indicates that Lonsec has conviction the financial product can generate risk-adjusted returns in line with relevant objectives.



Infrastructure option



Property option

Inside Hostplus SMI.

**More information
for advisers**



How Hostplus SMI works.

A general overview

Hostplus SMI invests through Hostplus' Pooled Superannuation Trust structure, so your clients' money is pooled with over one million other Hostplus members and investors.

Each investment option is divided into units, which are allocated based on the value of your investment and the relevant unit price.

- Hostplus SMI is a tax-paid investment vehicle. This means the declared unit price for each investment option includes a provision for tax owing on any investment income and capital gains, as well as entitlements to tax credits (i.e. imputation credits).
- You can choose to buy units in either the accumulation or pension (retirement) phase, for each investment option. This will ensure the right tax treatment is applied, as units in each phase are taxed at a different rate.
- All investment income is reinvested back into your account, rather than being distributed.
- Our online portal provides regular portfolio information and reporting at the touch of a button.

You can find more information on managing liquidity, valuations, redemptions and switching on page 21.

Product details

Minimum initial investment	\$10,000
Minimum additional investment (per option)	\$5,000
Minimum ongoing account balance amount¹	\$10,000
Minimum switch amount (per option)²	\$5,000
Minimum redemption amount (per option)²	\$5,000

Maximum investment

Unlimited. The Trustee reserves the right to decline any application and additional investments at its absolute discretion.

Unit pricing

Calculated each national business day (T) and made available at hostplus.com.au/smi-investment-returns at midday T+2 on every national business day.

Product fees

Joining fee:

\$240 deducted from your initial application amount.

Administration fee:

\$165 p.a.

Investment fee:

Refer to individual investment options.

For full details of the fees and costs, including definitions of each fee and cost, please refer to the Hostplus Self-Managed Invest (SMI) Product Disclosure Statement (PDS) and the Additional Information Brochure available at hostplus.com.au/smi.

1. Subject to market movement. When investor's balance falls below \$2,000, a request may be made by the Trustee to top up or withdraw the balance in full.

2. Switches and withdrawals may be accepted below the minimum limit where the balance of an option has fallen below that minimum limit due to market movement.

Building our portfolios

We understand how important it is to keep your clients' financial goals on track – leading up to and right through retirement. Here are the nuts and bolts of how we deliver.

Portfolio construction with JANA

Our team works closely with our investment consultant, JANA, to create the Hostplus SMI portfolios. We'll consider the following when we're creating each option:

- The amount we allocate to each asset class, country or sector
- Investment managers
- How much each investment manager is allocated
- Which assets we will co-invest in directly
- The level of investment risk for each asset, investment manager or asset class.

World-class investment managers

We outsource our investment management because it's in investors' best interests to benefit from the expertise available through our external investment managers and investment consultant, JANA.

We have strict guidelines for selecting managers for our portfolios, including:

- Investment managers must always align with our core investment philosophy
- Their costs must be reasonable
- They must deliver competitive performance
- They're subject to regular monitoring and performance review against specific objectives.

We will remove an investment manager due to poor investment performance, a change in key personnel, a change in a manager's style or if they no longer align with Hostplus' SMI investment strategies.

Asset allocation for Hostplus SMI

Each of the six investment options follows its own distinct investment strategy, including how much it allocates to each asset class, country or sector.

- We decide where to invest each option's assets based on in-depth analysis and research.
- We regularly review asset allocation settings in line with our economic outlook.

Investment governance

For more information on Hostplus' investment governance, please visit hostplus.com.au/investment/investment-governance

Managing risk and liquidity

Hostplus is a highly liquid fund, giving investors confidence they can access their money when they need to.

The size and distinctive character of our Fund lets us offer daily liquidity for each of the six Hostplus SMI investment options, even though some of the underlying assets are 'illiquid', or not easily accessible.

- We actively monitor risks across our investments, including market risks, interest rate risks, liquidity risks, derivative risks and operational risks.
- We work with our investment consultant and risk team to analyse these risks and position our portfolios to limit them where possible.
- Each investment option has different risk characteristics and volatility, and is thoroughly 'stress tested' every year under a range of market-driven actual and hypothetical scenarios.

We use the Standard Risk Measure* to help investors compare investment options. This measure estimates the number of negative investment returns over a 20-year period and categorises each investment option on a scale from very low risk to very high risk.

Investors should still make sure they're comfortable with the risks and potential losses associated with their chosen investment option.

Redemptions and switching

The minimum investment withdrawal or switch is \$5,000 per investment option, subject to the ongoing balance requirement of \$5,000 per option.

No switching fee applies to any of the Hostplus SMI investment options.

Valuations

Hostplus SMI's assets are valued in line with our valuation policy. Under this framework:

- Listed equities are valued daily, while valuations for unlisted assets are conducted more frequently than annually (i.e. typically quarterly or semi-annually)
- All assets should be subject to independent valuation
- Where feasible, valuers will be rotated so that the same party does not value a particular asset over a period greater than three years in most circumstances.

In valuing the assets for each Hostplus SMI investment option, we allow for the following factors: expense recoveries, investment costs, transaction costs, and income tax.

This valuation is then divided by the total units held in each option. Unit prices rise and fall with movements in the value of underlying assets. A copy of our valuation policy is available on our website at hostplus.com.au/investment/investment-governance#valuations-policy.

*The Standard Risk Measure (SRM) is a guide as to the likely number of negative annual returns expected over any 20-year period. Developed by the Financial Services Council (FSC) and The Association of Superannuation Funds of Australia (ASFA).

Responsible investment

Our goal is to deliver the best retirement outcomes for our members and investors – this responsibility guides every decision we make.

Responsible investment is an important part of our investment approach that helps us better manage risk and get the best outcomes for our members and investors. Our approach is based on four pillars:



Active ownership

Using our position to positively influence company behaviour and performance.



Building Australia's future

Investing in projects that improve the world and deliver investment performance.



Environmental, Social and Governance (ESG) integration

Setting our asset allocation through an ethical framework.



Member and investor values

Understanding what's important to our members and investors.

Our Responsible Investment Policy can be found on our website at hostplus.com.au/investment/investment-governance

ESG integration

We're committed to responsible investment across all our investment activities – because it's good for the world and good for your clients' investments.

We consider Environment, Social & Governance (ESG) ESG factors as part of our annual strategic asset allocation process and in setting investment objectives.

As part of the investment manager selection and review process, we work with JANA to review each investment manager's ability to integrate ESG risks and opportunities into their investment decision-making process.

ESG factors considered may include:

Environmental	Social	Governance
- Climate change	- Human rights	- Board structure, size, diversity, skills and independence
- Pollution and waste	- Labour rights	- Executive remuneration
- Resource depletion	- Health and safety	- Shareholder rights
- Biodiversity	- Employee relations	- Corporate culture and ethics
- Land use changes	- Human capital management	- Bribery and corruption
	- Aboriginal and Torres Strait Islander rights and relations	- Risk management
	- Local communities' relations	- Lobbying
	- Consumer protection	- Tax strategy



Making a difference

We're making it count when it comes to investing for the future of our members and investors – and the world around us.

Active ownership

We're active in our company engagement and proxy voting because we want to positively influence company behaviour and long-term returns.

We prefer to create change within companies through engagement rather than divest from a company or sector and lose influence.

We focus on:

- Board oversight and accountability
- Shareholder rights
- Major transactions
- Remuneration
- ESG risk management and disclosure.

We engage with companies primarily through our membership of the Australian Council of Superannuation Investors (ACSI), as well as directly and through investment managers.

We take our proxy voting rights seriously, always voting when it's practical. We take into account voting guidance from specialist service providers, recommendations from our investment managers, and our own engagement and voting principles.

More information on proxy voting

Read our Responsible Investment Policy at hostplus.com.au/investment/investment-governance.

We also publicly disclose a full record of our voting decisions on the investment governance section of our website: hostplus.com.au/super/about-us/investment-governance.

Climate change

We recognise that climate change may influence the performance of our investments over time. In order to manage the financial risk due to climate change in our portfolio, we consider the risks and impacts arising from climate change in all aspects of the investment process.

For more information please refer to our website: hostplus.com.au/investment/investment-governance/climate-change.

Getting started.

Completing your adviser self-registration

To begin, you will be required to complete an adviser self-registration.

This registration will allow you to manage client applications and, subject to client approval, their investments in SMI. It'll also allow you to provide delegated access to your support staff to assist you to manage your Hostplus SMI clients.

To complete the online adviser self-registration process you will need to provide the following information:

- Your business details including business name and ACN
- Your ASIC registered financial adviser number
- Your contact and identification details (driver licence or passport number).



Read the offer documents

- Product Disclosure Statement.
- Additional Information Brochure.
- Financial Services Guide.



Get started online at hostplus.com.au/smi/adviser

- Complete an online registration.
- Complete the online identification requirements.



Create client applications

- Once the online registration is complete you can begin creating client applications.

We're here to help.

Have a question or want to learn more about what we offer? Contact us.

Call **1300 350 819** from 8am – 8pm (AEDT)
Monday to Friday

Visit hostplus.com.au/smi/adviser

Email smi@hostplus.com.au

Important information

All information is correct at February 2021. This information contains general advice only and does not take into account your personal objectives, financial situation or needs. You should consider if this information is appropriate for you in light of your circumstances before acting on it. Please read the Hostplus Self-Managed Invest (SMI) Product Disclosure Statement (PDS), available at hostplus.com.au/smi before making a decision about Hostplus SMI. Hostplus Self-Managed Invest (SMI) is issued by Host-Plus Pty Limited ABN 79 008 634 704, AFSL 244392 as trustee for the Hostplus Pooled Superannuation Trust (PST) ABN 13 140 019 340. HP1391 02/21

Mail Hostplus Self-Managed Invest,
PO Box 764, Melbourne, VIC 3001
Phone 1300 350 819
Email smi@hostplus.com.au

hostplus.com.au/smi

