

MORE

Spring Edition 2011

Amended version

Investment return
update page 15

**It's your choice:
Take control and
enjoy the results**

**Why it pays to
get expert advice
about super**

**This year's Budget:
how will it affect you?**



**Accelerate
your savings
with extra
contributions**



**How do you
picture your
financial
future?**



**Win a
Navman
or movie
tickets**

HOST PLUS
expect more

It's time to put yourself in the driver's seat. This edition of MORE is all about deciding where you want to be in retirement and how you're going to get there. And HOSTPLUS is here to help. Enjoy the journey.

CONTENTS

Your money, your choice3

The value of financial advice4

Fast-track your retirement savings..6

Picture your retirement9

Super at your fingertips12

The Budget and you13

Market update14

Latest investment results15

MORE

A message from the CEO



CEO David Elia talks about what's been happening at HOSTPLUS this year and what you'll find in this edition of MORE magazine.

Welcome to this edition of MORE. So far in 2011, HOSTPLUS has delivered strong returns and consistent overall fund performance, including an impressive 10.11% for our Balanced option, helping us maintain the highest possible rating from independent ratings agencies SuperRatings, Chant West and Rainmaker. It has also seen HOSTPLUS win the title of Top Industry Super Fund for 2011 awarded by *Your Money* magazine. In this, and every other way, we're committed to quality, so you can be assured you're choosing a quality fund to look after your financial future.

You can read more about your investments, and other examples of quality service and performance, in this edition of MORE magazine. You'll also find ideas to help you accelerate your retirement savings so you can achieve the financial freedom you want.

If you have any questions, simply call **1300 HOSTPLUS (1300 467 875)**, 8am–8pm, Monday to Friday and we'll be happy to help.

The HOSTPLUS 2011 Annual Report is now available online at hostplus.com.au/annualreport

MORE magazine is printed on recycled paper.



The information contained in this document is general information only. This document does not and is not intended to contain any recommendations, statements of opinion or advice and does not consider any one or more of your objectives, financial situation or needs. Before acting on this information, you should consider obtaining advice from a licensed financial adviser and consider the appropriateness of this information, with regards to your own circumstances.

Issued by Host-Plus Pty Limited ABN 79 008 634 704, AFSL No. 244392, RSEL No. L0000093, HOSTPLUS Superannuation Fund ABN 68 657 495 890, RSE No. R1000054 THEDMGROUP HOST6393

Your money, your choice



One of the benefits of being a HOSTPLUS member is having control over the way your super is invested.

What does investment choice mean?

At HOSTPLUS, we aim to achieve competitive, long-term investment performance for all our members. But we know one size doesn't fit all. Everyone has different goals, priorities and timelines. That's why we offer you a range of investment options to suit your investment timeframe, your long-term goals and your attitude to investment risk. You can choose from growth asset classes like shares and property, or opt for a more defensive style of investing in asset classes like fixed interest and cash, or both.

The proportions of different assets like cash, property and shares determines the likely investment returns and the risk of negative returns. Generally, investment options with potentially higher returns also carry a higher risk of negative returns over a short term.

What if I don't want to select an investment option?

If you prefer not to choose, that's OK too. We'll invest your super in our Balanced option, our default investment option.

Feel like a change? Do it today

With HOSTPLUS, it's easy to switch the way your super is invested. It's also free. You can do it online by visiting hostplus.com.au

To find out more about choosing your investment options, visit hostplus.com.au/investments or call 1300 HOSTPLUS (1300 467 875), 8am–8pm, Monday to Friday.

Seek advice from a licensed financial adviser, or take a look at Super Adviser online.

Super Adviser will help you analyse your risk profile, choose investment options that are right for you, and reassure you that your super is on the right track. Visit hostplus.com.au/superadviser



CHECK LIST

Use these icons to find related articles.

- Choose the investment option that's right for you and your super
- Make an appointment to meet with a licensed financial adviser
- Find a strategy to maximise your super
- Think about the kind of retirement you want – and how to get it
- Access your SuperSite account
- Keep up to date with how your super is performing

MORE

Why do I need financial advice?

You might think you're the only one who can really look out for your own financial best interests. But did you know that Industry Fund Financial Planning advisers earn no commissions and work entirely for the benefit of our members? Here's how getting the right advice at the right time can be one of the smartest moves you'll ever make.



Financial advice isn't just for millionaires with complex investments. Nor is it just for times of crisis. A financial adviser can help you with everything from setting short-term goals like reducing your debts or saving for a dream holiday, to long-term projects like making sure you get to retirement in good financial shape.

What is personal financial advice?

At its simplest, financial advice is about helping you make decisions about your money. A licensed financial adviser helps you take stock of your personal goals, needs and financial situation, then recommends strategies to suit you.

Why do I need advice – and how do I get it?

A licensed financial adviser can help you save on tax, get your debts under control and work out a plan for achieving your financial goals. That's why **HOSTPLUS** provides members with access to high quality, low cost advice from Industry Fund Financial Planning (AFSL 232514).

**INDUSTRYFUND
FINANCIAL PLANNING
ADVISERS ARE NOT PAID
BY COMMISSION**

Industry Fund Financial Planning advisers are not paid by commission. They are paid a fee for service. This leaves them free to recommend the strategies that are most advantageous for you – not them.

Plain English advice

An Industry Fund Financial Planning adviser can provide advice that is both comprehensive and easy to understand, about:

- Budgeting – so you can take control of your money
- Investment options – so you maximise your money
- Insurance – so you're properly protected
- Tax – so you can get back what you're entitled to
- Super – so you can enjoy a comfortable retirement.

As a **HOSTPLUS** member, you're entitled to a free initial fact-finding consultation with a licensed financial adviser from Industry Fund Financial Planning. Find your local adviser at hostplus.com.au/financialplanning

CHECK LIST

Use these icons to find related articles.

- Choose the investment option that's right for you and your super
- Make an appointment to meet with a licensed financial adviser
- Find a strategy to maximise your super
- Think about the kind of retirement you want – and how to get it
- Access your SuperSite account
- Keep up to date with how your super is performing

MORE

Put your retirement savings on the fast track



Whether your planned retirement date is just around the corner or way down the road, you'll inevitably be faced with the big question: "Will I be able to live the lifestyle I want?" Good question. How do you know how much is enough – and what can you do about it?

It pays to start thinking about your financial future now. Almost half of Australian retirees say they wish they had saved more in super over their working life, or started saving earlier. Investment Trends research

shows that many Australian retirees only manage to save enough money for eight years of retirement, even though their life expectancy may well be another 30 years. For most people, the 9% employer contribution simply won't cover their needs.

Never fear. You might not have a lifetime to turbo-charge your super, but there's still plenty you can do to put your retirement savings in the fast lane. Your age and financial position will obviously influence which actions will best suit you, but here are a few ideas to consider.

Are you eligible for government co-contributions?

If you earn less than \$61,920, you may be eligible to take advantage of the government co-contribution incentive – one of the easiest ways to top up your super. For every dollar you contribute to your super, the government will match it up to \$1,000. You can check if you're eligible and calculate how much your bonus could be by visiting hostplus.com.au/coconts

If you're eligible to make a personal contribution, all you need to do is contribute to your super (we'll need your Tax File Number first) before 30 June 2012 and the government will credit your free money to your HOSTPLUS account after your tax return is processed. Who doesn't like free money?

Contribute the easy way

It's so easy to make a payment into your super fund. Simply do it via BPAY®, quoting biller code 58560 and your details, which you can find on your statement. Or you can do it over the phone. Call 1300 HOSTPLUS (1300 467 875), 8am–8pm, Monday to Friday.



Biller code: 58560
Ref number: Check your statement

© Registered to BPAY Pty Ltd ABN 69 079 137 518.

How making a super contribution can save on tax

Even if you earn too much to benefit from the co-contribution incentive, there's still a way to rev up your super. It's called salary sacrificing.

Salary sacrificing is when you pay for things (like super contributions) out of your before tax income in order to get a tax break. Instead of paying tax at your usual marginal rate, you could pay only 15% tax on your eligible super contributions.

For more information, visit hostplus.com.au/contributions or call 1300 HOSTPLUS (1300 467 875), 8am–8pm, Monday to Friday.

Good news if you're over 50

You can add up to \$50,000 to your super this financial year. But don't wait too long – this is the last year this increased limit applies. Keep reading to find out more.

CHECK LIST

Use these icons to find related articles.

- Choose the investment option that's right for you and your super
- Make an appointment to meet with a licensed financial adviser
- Find a strategy to maximise your super
- Think about the kind of retirement you want – and how to get it
- Access your SuperSite account
- Keep up to date with how your super is performing

MORE



Good things begin at 50 – like increased contribution limits

Up until the age of 50 you can contribute up to \$25,000 before tax per year, but once you're 50 you can contribute up to \$50,000* yearly. This is a great way for you accelerate your retirement savings so, if you can afford it, add as much as you can.

Spouse contributions

You don't have to be in the workforce to build your super, thanks to spouse contributions. These are designed to help couples save for retirement with the help of tax incentives.

CONSIDER THE TAX INCENTIVES FOR SPOUSE CONTRIBUTIONS

If one partner earns less than \$10,800 a year, the other person can make a spouse contribution for them of up to \$3,000 from after-tax income and claim an 18% tax

*Limits apply until 30 June 2012.

BOOST YOUR SUPER IN SECONDS VIA BPAY®

offset – which could work out to a saving of \$540. And taking a 'household' view of super helps ensure that both partners are looked after for the future.

As with all investment decisions, you should seek professional advice before you go ahead.

What types of super contributions are best for me?

To help you find the super strategy that best suits your situation, HOSTPLUS has created Super Adviser. It's an online tool that shows you how personal contributions and salary sacrificing can help your super grow, how different investment options may work for you, and even whether you have enough insurance cover. It can also provide a projection of how much super you are on track to have at retirement.

Explore your options with Super Adviser at hostplus.com.au/superadviser

To register, you'll need your HOSTPLUS member number (available from your statement) or by calling us on 1300 HOSTPLUS (1300 467 875), 8am–8pm, Monday to Friday.

How do you picture your retirement?



It pays to have a plan

In previous generations, people typically held the same job for 40 years, then retired. Today's reality is far more complex.

For example, a recent survey by CoreData found that 86% of Australians over 55 planned to work part-time in retirement.

Today, the emphasis is on figuring out what you want to do.

Expert advice is the smart way to go

Getting your finances in order is the first step. That's where HOSTPLUS can help. Along with low fees and competitive returns, HOSTPLUS offers members access to licensed financial advice to help with retirement planning.

CHECK LIST

Use these icons to find related articles.

Choose the investment option that's right for you and your super

Make an appointment to meet with a licensed financial adviser

Find a strategy to maximise your super

Think about the kind of retirement you want – and how to get it

Access your SuperSite account

Keep up to date with how your super is performing

MORE



HOW MEGAN KEPT ON TRAVELLING WITH A HOSTPLUS PENSION

Megan was a little bit worried when she finished her career as a travel agent after 33 years. Her final salary was \$43,000 per year. Having paid off her mortgage, Megan wondered how long her super would be able to replace her salary.

Megan arranged to meet with a HOSTPLUS financial adviser. Her super balance was \$428,000 and she would need \$23,000 per year to maintain her current lifestyle.

By rolling her super into a HOSTPLUS pension, Megan could draw an income that would replace her salary.

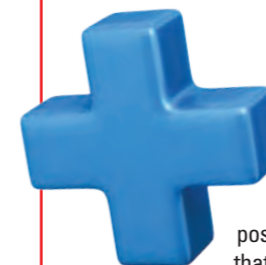
Having the HOSTPLUS pension meant Megan felt she had nothing to worry about. She can look forward to regular, tax-free income – which is also earning interest – in retirement.

If Megan qualifies for the age pension, she could reduce the amount she draws down



Did you know that as a HOSTPLUS member, you're entitled to a complimentary initial fact-finding consultation with a licensed financial adviser from Industry Fund Financial Planning? Call us on **1300 HOSTPLUS (1300 467 875)** to make your appointment today.

HOW HOSTPLUS HELPED ALEX GET ON TRACK TO A REWARDING RETIREMENT



Although he was still working full time, Alex wanted to make sure he would retire with as much super as possible. He had heard that salary sacrificing was a way to do this, but wasn't sure exactly how it worked. So in April 2010, Alex talked to HOSTPLUS about his options and learned about Transition To Retirement (TTR) strategies using a HOSTPLUS Pension Plan.

Using the TTR strategy, which makes use of tax advantages for people over 55, Alex was able to salary sacrifice an extra \$36,000 into his super and maintain his net income. Based on an annual income of \$89,905 and account balance of \$330,000, he could draw down \$20,750 from his pension to maintain his current annual income and achieve an overall tax saving of over \$8,000.

With this TTR strategy in place, Alex says he is feeling much more comfortable about his impending retirement. He is even taking leave more often – which his wife says is a very welcome change.

Alex is also taking the opportunity to think about life outside work and the interests he wants to pursue. He sings regularly in a music group and is making more time for it on a regular basis.

A few months ago, Alex had a follow-up meeting to review the progress of his HOSTPLUS super and pension accounts. He is very happy with all aspects of his financial strategy and is enjoying the feeling of being well prepared for his upcoming retirement.

Assumptions: Member is aged over 60 with a Marginal Tax Rate of 37% plus Medicare levy. No tax is deducted from earnings in a pension account. Payments from the HOSTPLUS pension will be tax free.



Did you know about Transition to Retirement (TTR) strategies that you can put in place while you're still working? To find out more about your options, call **1300 HOSTPLUS (1300 467 875)** Monday to Friday, 8am–8pm.

These case studies are based on actual HOSTPLUS member profiles. Please seek individual financial advice before making any investment decisions.

CHECK LIST

Use these icons to find related articles.

- Choose the investment option that's right for you and your super
- Make an appointment to meet with a licensed financial adviser
- Find a strategy to maximise your super
- Think about the kind of retirement you want – and how to get it
- Access your SuperSite account
- Keep up to date with how your super is performing

MORE



Super sorted: everything clicks into place

Check your balance. Update your details. Change your investment profile. Or top up your super. All with a few clicks.

Manage your super online

Super doesn't need to be difficult. Log in to your online super account and you can easily:

- update your contact details
- see how much super you have
- choose how your super's invested
- submit your Tax File Number
- reset your pin
- Self-register online

At HOSTPLUS we like to make sorting your super easy. SuperSite is our member log-in site, where you can sort your super out without having to flick through endless forms or worry about keeping shoeboxes full of statements.

Consolidate your lost super

If you've changed jobs or moved home, chances are you have some lost super costing you unnecessary fees. The good news is – finding it is really easy, and it's free. Just log on to www.unclaimedsuper.com.au or contact the ATO on 13 10 20.

Once you've done that, fill out the Rollover form in this mail pack, visit hostplus.com.au and click *Rollover help*. There you'll find helpful advice to make consolidating your super into your HOSTPLUS account as easy as possible.

Update your email address and you could win a Navman

Log in to your account and update or provide your email address (so we can send you relevant information, tips and articles) and you'll automatically go into the draw to win a Navman or one of 100 double movie passes.

NSW permit number LTPM/11/00454. See website for terms and conditions.



To set up your member account go to hostplus.com.au, click *your account* and have your member number handy.

Follow us on Twitter: twitter.com/HOSTPLUS



How will this year's federal budget affect your super?

Just in case you didn't make it through the Budget telecast this year, here's a snapshot of some of the key rulings relating to super.

Although most of this year's federal budget changes to superannuation rules are relatively minor compared to the major superannuation reforms of recent years, it's still worth knowing about some updates that may affect you as you head towards retirement.

Reduce your tax bill – access your excess contributions

A yearly limit applies to your before-tax super contributions (the concessional contributions limit). If you exceed this, any extra you pay into your super is normally taxed at your marginal tax rate, which may be up to 46.5% (including Medicare levy). To avoid this, eligible members could make a once-only withdrawal of up to \$10,000 of excess contributions made from the 2011/2012 financial year.

Questions? Visit hostplus.com.au to find updates. Call 1300 HOSTPLUS (1300 467 875), 8am–8pm, Monday to Friday.

Employer reporting – check your payslip to see contributions

From 1 July 2012, you'll most likely see how much your employer contributes to super on your behalf listed on your payslip.

Proposed higher contribution cap for over-50s lets you boost your balance

The annual concessional contribution cap is now \$50,000 for people over 50 with a super balance of less than \$500,000 – that's compared to the under-50s cap of just \$25,000. That difference can really help you accelerate your super.

Tax file numbers will make it easier to consolidate

It is proposed that super funds may use members' TFNs to help identify duplicate super accounts, making it potentially easier for members to consolidate their super and save on fees. Are all your super accounts in one place? If not, now is a great time to consolidate.

Choose the investment option that's right for you and your super

Make an appointment to meet with a licensed financial adviser

Find a strategy to maximise your super

Think about the kind of retirement you want – and how to get it

Access your SuperSite account

Keep up to date with how your super is performing

MORE

2010/11 financial year

The year in review

While the year to 30 June 2011 did experience some volatility, all up it proved to be one of the best investors have experienced in the last couple of years. Despite generally tough economic conditions, with major natural disasters such as earthquakes, the Japanese tsunami nuclear plant crisis, and floods all impacting, it was the emerging rather than the developed economies from which much of the growth came during the year.

The Australian share market finished the year up 11.9% – a strong result but not as strong as global shares, which rose by nearly 27%. Over the year, the Australian dollar rose against all currencies to record high levels, boosted by high interest rates, high commodity prices, and a much improved balance of trade. A strong dollar, of course, brings good news and bad news; but for those who invested in global shares it was bad news as the strong dollar offset much of their gains, with unhedged global equities returning only 3.2% for the year.

Sentiment in bond markets has fluctuated wildly at times, with signs of a recovery early in the year causing bond yields to sell-off, before signs of trouble in European economies such as Greece, Portugal and Ireland led to renewed buying of safe harbour bonds. The big fear is that defaults by these countries will force a crisis in the European banking system.

Hedged Global bonds returned 6.9% over the year, whilst Australian bonds returned 5.6%. Australian government bonds underperformed global bonds, as the RBA raised rates further to combat signs of inflation.

Listed Property Trusts returned 5.8% over the year, whilst Unlisted Property delivered a more stable return, adding 9.1%; with stable capitalisation rates and valuations increasing mainly on the back of rental increases.

**ALL UP IT PROVED
TO BE ONE OF THE BEST
YEARS INVESTORS HAVE
EXPERIENCED
IN RECENT TIMES**

Reflecting on where markets and economies were this time a year ago, it seems little has changed. Equity markets are still reasonably cheap based on forward earnings, but once again the mood in the markets has been cautious. Recovery in the developed markets seems to have stalled but in the emerging markets, such as China, Brazil and India, authorities are trying to slow the rate of growth and reduce inflation. Perhaps it's a case of the more things change, the more they remain the same!

Investment results

Net fund earning rates to 30 June 2011

Options	6 month	1 year	5 year p.a.	10 year p.a.
Pre-mixed				
Capital Stable	2.98%	8.88%	5.05%	6.00%
Conservative Balanced*	2.70%	9.80%	N/A	N/A
Indexed Balanced**	1.05%	N/A	N/A	N/A
Balanced	2.66%	10.11%	3.10%	6.12%
Shares Plus	2.16%	11.62%	3.37%	5.81%
Sector				
Cash	2.81%	5.08%	5.26%	4.99%
Diversified Fixed Interest [^]	3.73%	9.48%	6.65%	6.46%
Property	2.23%	4.92%	3.91%	6.85%
Australian Shares	1.12%	13.50%	5.66%	9.62%
International Shares	2.68%	16.22%	0.16%	1.35%
Individual manager				
Macquarie Investment Management – Australian Fixed Interest	3.75%	4.69%	5.56%	N/A
BlackRock Asset Management – International Fixed Interest***	0.00%	N/A	N/A	N/A
Bridgewater Associates – Diversified Fixed Interest****	N/A	5.07%	7.32%	N/A
Industry Super Property Trust Core Fund – Property	3.81%	7.87%	4.35%	N/A
Lend Lease Managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property	3.45%	7.90%	5.05%	N/A
Balanced Equity Management – Australian Shares	0.46%	12.55%	4.58%	N/A
Macquarie Investment Management – Australian Shares	-0.38%	10.93%	3.59%	N/A
Paradise Investment Management (Small Cap) – Australian Shares	-1.87%	18.66%	5.64%	N/A
Perpetual Investment Management – Australian Shares	2.65%	13.25%	6.35%	N/A
AllianceBernstein – International Shares****	N/A	0.81%	-7.62%	N/A
IronBridge Capital Management – International Shares***	-0.45%	N/A	N/A	N/A
Marvin & Palmer Associates – International Shares	-3.45%	2.80%	-1.97%	N/A

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

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

*** The returns for these options represent a period of one month (1 June 2011 - 30 June 2011).

**** The returns for these options represent periods ending 30 November 2010. These options were closed on 1 December 2010.

[^] Due to a calculation error these rates have been updated as of 16 September 2011.

Please note: recent investment manager changes can be found in the 2011 Annual Report, available online.

Visit hostplus.com.au/annualreport

For the full annual report, visit hostplus.com.au

Our Pension Plan fee is low, so you can enjoy life's highs

You've worked hard to grow your retirement savings over the years. So, naturally, you want someone you can trust to help you maximise your savings – and life's highs – as you near retirement. Our **HOSTPLUS** Pension Plan fee is one of the lowest on the market. Just \$7.50 a week (that's less than \$400 a year) and no asset-based fees. Of course, like all pension funds, investment fees also apply. We

also offer all the award-winning features you've come to expect from **HOSTPLUS**, including a broad range of flexible investment options and access to financial advisers who aren't paid commissions. The best part? You don't even have to be a **HOSTPLUS** member to join. To find out more, visit hostplus.com.au or call **1300 HOSTPLUS (1300 467 875)**, 8am–8pm, Monday to Friday.

super + advice + insurance + education + pension + extras



The information contained in this document is general information only. This document does not and is not intended to contain any recommendations, statements of opinion or advice. In any event, the information in this document is general in nature and does not consider any one or more of your objectives, financial situation or needs. Before acting on this information, you should consider obtaining advice from a licensed financial product adviser and consider the appropriateness of this information, having regard to your particular investment needs, objectives and financial situation. You should obtain a copy of the **HOSTPLUS** Pension Guide Product Disclosure Statement and consider the information contained in the Statement before making any decision about whether to acquire an interest in **HOSTPLUS**. Host-Plus Pty Limited ABN 79 008 634 704, AFSL No. 244392, RSEL No. L0000093, RSE No. R1000054.