

Everything you need to get the most from your super

Product Disclosure Statement

31 October 2011

Issued by Host-Plus Pty Limited ABN 79 008 634 704,
AFSL No. 244392 as trustee for the **HOSTPLUS**
Superannuation Fund ABN 68 657 495 890,
RSEL No. L0000093, RSE No. R1000054. We're here
to help – call **1300 HOSTPLUS (1300 467 875)**,
8am – 8pm, Monday to Friday or visit hostplus.com.au



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HOSTPLUS Superannuation Fund and HOSTPLUS Personal Super Plan Member Guide

1. About HOSTPLUS

Choose quality

HOSTPLUS is the industry superannuation fund for the hospitality, tourism, recreation and sport industries.

But the good thing is, generally anyone can join.

Because we're an industry fund, we offer low fees, low cost insurance, we don't pay commissions to financial advisers and we're run to benefit our members – you.

In line with our commitment to quality we've been awarded some of the most prestigious accolades in the industry. All of which means your super is in good hands.

But you don't have to retire to benefit with HOSTPLUS.

Our members can access a range of immediate extras, like low cost banking and, for eligible members, savings on travel and accommodation.

And regardless of whether you change jobs or leave the industry, you can always stay with HOSTPLUS and continue enjoying the benefits of being a member.

In fact, we can help you plan at every stage of life, even after you retire with HOSTPLUS Pension.

Choose HOSTPLUS

For more information about HOSTPLUS visit hostplus.com.au or choosehostplus.com.au

2. How super works

Superannuation might seem complex but it's basically money put aside for your retirement.

To start with, it's made up of compulsory contributions from your employer called the Superannuation Guarantee (SG). Currently the SG rate is 9%, so your employer contributes 9% of your ordinary earnings (primarily your salary) to a superannuation fund where that money is invested for you.

Using your super to save for your retirement could deliver tax benefits. That's because your contributions and investment earnings are taxed at a lower rate than the tax on your salary and are re-invested over time until your retirement. And they're generally tax-free on withdrawal after you turn 60.

Under Super Choice, most workers are eligible to choose what fund their super contributions are paid into. Choosing the right fund now, can make a lifetime of difference later.

Contributions

For many people, SG contributions alone may not be enough to cover the cost of retirement. To encourage you to maximise your retirement savings, the Federal Government provides tax savings and other incentives to boost your super. These include:

- Personal contributions from your after-tax salary (non-concessional contributions).
- Contributions from your before-tax salary (concessional contributions). These include salary sacrifice. Check with your employer to see if you can make before-tax contributions as they will need to arrange this for you.
- Self-employed members can claim a tax deduction on their contributions.
- Government co-contributions, if you are eligible.
- Your spouse can split their before-tax contributions with you.
- Spouse contributions, if you are a low income earner.
- Rolling your other super accounts into HOSTPLUS.

There are various limits or caps that apply to contributions.

Generally, you cannot withdraw your super until you reach your preservation age, the minimum age set by law when you can access your super. The current preservation age is between 55 and 60, depending on your date of birth.



You should read the important information about **How super works** before making a decision. Go to hostplus.com.au/memborguide/super where you will find more information about how super works and contribution types and limits. The material relating to how super works may change between the time when you read this Statement and the day when you sign the application form.

This PDS is a summary only and includes links to important, additional information available at hostplus.com.au. The links are indicated with the symbol ⓘ. You should read this information before deciding whether to join HOSTPLUS. This PDS was prepared in accordance with Subdivision 4.2B of Division 4 of Part 7.9 of the *Corporations Regulations 2001*.

WARNING: The information in this guide is of a general nature. It has been prepared without taking into account your particular investment objectives, circumstances, financial situation or needs. Before acting on the information in this guide you should consider your own objectives, circumstances, financial situation and needs. You should also consider seeking the advice of a licensed financial adviser. This publication is not intended to be, and should not be construed in any way as, investment, legal or financial advice. HOSTPLUS does not recommend that you make decisions concerning superannuation arrangements based solely on the information in this guide. Some of the information in this guide is different for the HOSTPLUS Personal Super Plan members and will be highlighted. If you are investing in the HOSTPLUS Personal Super Plan, you should make note of those differences. The information in this guide is correct as at the date of publication. In the event of a material change occurring to any information contained in this guide, irrespective of whether it is adverse or not, the trustee will notify existing members in writing within the time frames required by law. Updated information is available online at hostplus.com.au. Where a change to information in the guide is not materially adverse, for example, changes to the net fund earning rate and individual investment manager options, the trustee will provide updated information at hostplus.com.au

3. Benefits of investing with HOSTPLUS

HOSTPLUS is run to benefit our members

We're an industry super fund, so we don't pay commissions to financial advisers or dividends to shareholders. Instead, we re-invest that money for the benefit of our members.

We're also an award winning fund. We've been SuperRatings Fund of the Year in 2007, 2008 and 2009, and a finalist in 2010 and 2011. We also hold premium ratings – a AAA Fund Quality rating from Rainmaker, Chant West's highest quality rating – 5 Apples, and a SuperRatings Platinum Rating.

And with HOSTPLUS, you pay a low member fee of \$1.50 per week – a fee which has remained unchanged since 2004.

With your online SuperSite account you can keep track of your super 24/7. You can update your personal details, make an investment choice, apply to increase or change your insurance cover, and review your account balance and contributions.

Once you reach your preservation age, the HOSTPLUS Pension offers Transition to Retirement (TTR) where you can draw an income from your super while still working. And when you stop working you can stay in the HOSTPLUS Pension and enjoy the benefits of being a HOSTPLUS member in retirement: a regular income, investment choice, and tax-free investment earnings.

Our Balanced (default) investment option has outperformed the Median Balanced Option over the longer term, that is the past 5, 7 and 10 years according to the SuperRatings Fund Crediting Rate Survey (8 August 2011) as at 30 June 2011.

And because everyone has different goals, we offer a wide range of investment options to suit your investment timeframe, long-term goals, and risk profile – from growth asset classes such as shares and property to defensive asset classes like fixed interest and cash.

Protecting your assets is an important part of a smart financial plan. For your peace of mind, HOSTPLUS offers several insurance options to cover you for death and disability – as well as salary continuance, protecting your income stream if you're unable to work due to illness or injury.

i You should read the important information about the **Benefits of investing with HOSTPLUS** before making a decision. Go to hostplus.com.au/membersguide/benefits. The material relating to the benefits of investing with HOSTPLUS may change between the time when you read this Statement and the day when you sign the application form.

Free fact-finding consultation with a financial adviser

When you join HOSTPLUS, you're entitled to a free, no obligation fact-finding consultation with a licensed financial adviser from Industry Fund Financial Planning AFSL 232514. No financial advice is given, but it will help you decide whether or not you should seek financial advice. Visit hostplus.com.au for more information about financial planning.

4. Risks of super

It's important to know that all investments involve some risk.

To offer members different levels of risk and potential return, HOSTPLUS invests in a range of asset classes such as cash, fixed interest, property and shares – which can be further defined as 'defensive' or 'growth'. The mix of these growth and defensive asset classes determine the likely investment return and risk of a negative return for each investment option.

Investment options with potentially the highest returns, such as shares, may also have the highest risk of negative returns over a shorter time period.

When considering the risks to your investment in HOSTPLUS, you should understand that:

- The value of your investments will go up and down.
- The returns you receive on your investments will vary – they can be positive or negative and previous returns are not indicative of future returns.
- Returns are not guaranteed and negative returns will result in a reduction in your account balance.
- The amount of your future superannuation savings, including contributions and investments, may not be enough to provide adequately for your retirement.

Other significant risks to your investment are the impact of inflation, interest rates, exchange rates, liquidity, derivatives and market failure. There are also operational risks such as changes to superannuation law and insurance terms changes.

The level of risk appropriate for you will depend on your age, how long you are investing for, any other investments you may have, and how comfortable you are receiving negative returns in some years.

i You should read the important information about the **Risks of super** before making a decision. Go to hostplus.com.au/membersguide/risk. The material relating to the risks of super may change between the time when you read this Statement and the day when you sign the application form.

5. How we invest your money

HOSTPLUS offers a wide range of investment options for you to choose from, each with a different level of risk and return.



When making your investment choice you must consider the potential risk and return of an investment option and whether it suits your risk profile and timeframe, i.e. how much time you have until your retirement.

Choose from our wide range of investment options:

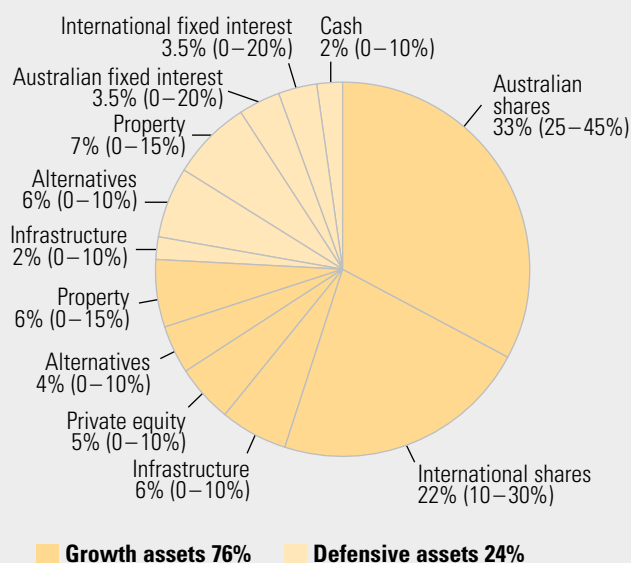
<p>Pre-mixed options Pre-mixed asset classes offer asset classes mixed to provide different risk/return profiles</p>	<p>Capital Stable Conservative Balanced Indexed Balanced Balanced (default) Shares Plus</p>
<p>Sector investment options Investment in a specific asset class only</p>	<p>Cash Diversified Fixed Interest Property Australian Shares International Shares</p>
<p>Individual manager options Investment in an individual investment manager from these asset classes: Australian Fixed Interest, International Fixed Interest, Property, Australian Shares and International Shares</p>	<p>Various investment options</p>

If you prefer not to make an investment choice, your contributions will be automatically invested in the Balanced option, our default investment option, described below.

Balanced option, our default investment option

<p>Investment objectives and strategies</p>	<ul style="list-style-type: none"> Achieve positive returns that exceed the return of the Conservative Balanced option over rolling three-year periods. Maximise the prospect of positive returns each financial year. Achieve returns that are above the average return of other similar funds.
<p>Risk/return profile</p>	<ul style="list-style-type: none"> Medium to high. Likelihood of a negative annual return in any one year: once every four to five years.
<p>Recommended minimum investment timeframe</p>	<ul style="list-style-type: none"> 6 years +
<p>Who is this investment suitable for?</p>	<ul style="list-style-type: none"> The Balanced option is diversified across a range of growth and defensive assets and aims to produce consistent returns over time. This option may suit members who have a six-year-plus investment time horizon.
<p>Investment style</p>	<ul style="list-style-type: none"> Aims to produce consistent returns. Investments through diversified investment portfolio, including some growth assets and some lower risk investments.

Balanced option asset allocation Benchmark % (Range %)



You can combine any number of our investment options provided you have a minimum of 1% of your super invested in any selected option. And you can easily change your investment choice at no cost.



You should read the important information about **How we invest your money** before making a decision. Go to hostplus.com.au/memborguide/investments. The material relating to our investments may change between the time when you read this Statement and the day when you sign the application form.

6. Fees and costs

As an industry super fund, HOSTPLUS member fees are a low \$1.50 a week. Better still, this fee has remained unchanged since 2004.

CONSUMER ADVISORY WARNING

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

If you would like to find out more or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

Fees and other costs at a glance

Below is an outline of fees and other costs that you may be charged. These may be deducted from your super account, from the returns on your investment or from the fund assets as a whole.

Type of fee or cost	Amount
Fees when your money moves in or out of the fund	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Termination fee	Nil
Management costs	
The fees and costs for managing your investment.	<p>Member fee \$78 p.a. (\$1.50 per week) PLUS</p> <p>Expenses indirectly deducted Indirect cost ratio (ICR) or investment expenses and performance fees – the annual percentage fees for managing your investment. The ICR varies according to your chosen investment option(s) and ranges from 0.00% to 1.11% p.a. The amount you pay for a specific investment option is shown at hostplus.com.au/memborguide/fees</p>

Example of annual fees and costs for a Balanced option

The table below provides an example of how fees and costs for the HOSTPLUS Balanced option can affect your superannuation investment over a one-year period. You can use this table to compare this product with other superannuation products.

Example: HOSTPLUS Balanced option		
Balance of \$50,000 with total contributions of \$5,000 during the year		
Contribution fees	Nil	For every \$5,000 you put in, you'll be charged \$0
Plus Management costs	0.64% p.a. + \$78 member fee p.a. (\$1.50 per week)	And, for every \$50,000 you have in the fund, you will be charged \$320 each year plus \$78 in administration fees regardless of your balance
Equals cost of fund		<p>If you put in \$5,000 during a year and your balance was \$50,000 then for that year you will be charged fees of:</p> <p>\$398*</p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.†</p>

* Additional fees may apply.

† The wording in this section is prescribed by law. Please note: our fees are not negotiable.

These figures are current as at 30 June 2011 and may be subject to change.




You should read the important information about **Fees and costs** before making a decision. Go to hostplus.com.au/memborguide/fees. The material relating to our fees and costs may change between the time when you read this Statement and the day when you sign the application form.

7. How super is taxed

Contributing to your superannuation can be a tax-effective way to save for your retirement. There are various tax levels that apply to your contributions and on the withdrawal of your super benefits. HOSTPLUS pays this tax to the Australian Taxation Office (ATO) and deducts it from your super account.

Tax on contributions 1 July 2011 to 30 June 2012

Type of contribution	Under age 50	Age 50 and over
Before-tax (concessional) such as employer, salary sacrifice and self-employed contributions.	15% on amounts up to \$25,000 a year. 46.5%* on amounts over the \$25,000 cap.	15% on amounts up to \$50,000 a year. 46.5%* on amounts over the \$50,000 cap.
After-tax (non-concessional) from your net salary such as personal and spouse contributions.	0% on amounts up to \$150,000 a year. 46.5%* on amounts over the \$150,000 cap. If under 65, you can contribute \$450,000 tax-free averaged over a three year period – any contributions over this are taxed at 46.5%*	

 If you exceed the before-tax or after-tax contributions cap, you will be taxed at 46.5%* payable to the ATO.

Before-tax contributions over the cap may be paid by yourself directly or from your super account.

After-tax contributions over the cap must be paid from your super account.

Tax on withdrawals 1 July 2011 to 30 June 2012


Component	Below preservation age	Preservation age – 59
Taxable	21.5%*	No tax up to \$165,000 – 16.5%* on the remaining balance.
Tax-free	No tax payable.	
	From age 60, usually no tax is payable.	


* Includes Medicare levy

Investment earnings are taxed up to a maximum of 15%.

If you are **self-employed** or substantially self-employed (i.e. you earn less than 10% of your income from an employer) you can claim a tax deduction for your contributions.

Tax File Numbers (TFNs)

 It is in your interests to supply your TFN when you join. Generally, higher tax is payable on your contributions and withdrawals if you don't supply your TFN – and HOSTPLUS will not be able to accept your personal contributions. You will also be ineligible for the Government co-contribution incentive.

 You should read the important information about **How super is taxed** before making a decision. Go to hostplus.com.au/membguide/tax. The material relating to how super is taxed may change between the time when you read this Statement and the day when you sign the application form.

8. Insurance in your super

Right now, your most valuable assets are your health, family and your income-earning potential. Protecting them against the unexpected should be an important part of your strategy. That's why at HOSTPLUS we offer eligible members automatic insurance with an option to increase their cover upon joining.

HOSTPLUS insurance cover is provided by OnePath Life Limited ABN 33 009 657 176, AFSL 238341, formerly known as ING Life Limited.

Automatic Death and Total & Permanent Disability (TPD) insurance when you join


Generally, if you've joined through your employer you receive automatic, unitised Death and TPD insurance cover.


If you are aged under 25 years you automatically receive one unit of Death and TPD insurance cover at the standard scale (\$1.50 per week). If you are aged between 25 and 64 you automatically receive two units of Death and TPD insurance cover at the standard scale (\$3 per week). See the Death and TPD and Death Only table on the next page.

Premiums are paid from your HOSTPLUS account.

Members working in eligible occupations can apply for cover under the Management/Clerical (white collar) scale where you can receive a significantly higher level of cover for the same cost.

The amount you would be covered for depends on your age next birthday. See the unitised Death and TPD and Death Only insurance cover table at hostplus.com.au/membguide/insurance

 Unless you cancel your automatic insurance, the premiums will continue to be deducted from your HOSTPLUS account. If, for whatever reason, more than one account is opened for you at HOSTPLUS, you are only eligible for one insurance benefit.

 The information in this section is a brief summary only. Full information about eligibility, the cancellation of insurance cover, any conditions or exclusions in relation to insurance cover and information about the level, type, actual cost (or ranges of costs) of optional insurance cover or any other matter in relation to insurance cover is provided at hostplus.com.au/membguide/insurance. Accordingly, that information should be read before deciding whether the insurance is appropriate.

Other insurance

HOSTPLUS offers eligible members:

- Insurance cover in addition to the automatic levels of Death and TPD cover and Death Only cover provided.
- Terminal illness benefits as part of your death benefits.
- Salary Continuance cover in case you can't work due to injury or illness.

There's also:

- A **Special insurance offer on joining** available to eligible members to upgrade their Death and TPD cover, and apply for Salary Continuance cover without providing a full health statement.
- **Specific life events cover** where changes in your life let you boost your cover.
- The option of **Transferring your insurance** from another super fund.

When applying for Death and TPD or Death Only cover, you can choose from:

- **Unitised cover**, where benefits decrease over time but the premiums remain the same, or
- **Fixed cover**, where benefits remain fixed but premiums increase as you get older.

Premiums are deducted from your super account and insurance cover continues as long as there are sufficient funds to pay the premiums.

How to apply

New members can apply to take up the **Special insurance offer on joining** in the **Membership form**:

- for additional units of cover,
- to replace their unitised cover with fixed cover, and
- for Salary Continuance cover.

Members can also apply for higher levels of cover online at hostplus.com.au or by completing the **Increase your insurance cover application – Part A and Part B** (if applicable) form available at hostplus.com.au

Members can opt out of automatic insurance by ticking a box on their **Membership form** or cancel their insurance cover at any time by writing to us.

Personal Super Plan members

If you're joining the Personal Super Plan, you will receive automatic, fixed-benefit Death and TPD cover to the value of \$100,000 if you are aged 60 years or under. If you are aged between 61 and 64, you will receive fixed benefit Death cover to the value of \$100,000. Your TPD cover will be a proportion of your Death cover.

Personal Super Plan members may apply for any insurance offered, except for the **Special insurance offer on joining** mentioned above.

Death and TPD and Death Only insurance: Unitised cover table

The table below shows the value of one unit at the standard scale. Units cost \$1.50 per unit per week for Death and TPD insurance cover and 75¢ per unit per week for Death Only insurance cover.

Age next birthday	Standard scale sum insured 1 unit	Age next birthday	Standard scale sum insured 1 unit
Up to 25	\$112,346	46	\$54,724
26	\$113,090	47	\$47,321
27	\$113,090	48	\$40,387
28	\$113,090	49	\$35,922
29	\$113,090	50	\$28,874
30	\$113,090	51	\$25,453
31	\$113,090	52	\$23,495
32	\$113,090	53	\$21,537
33	\$113,090	54	\$17,622
34	\$113,090	55	\$15,664
35	\$113,090	56	\$13,948
36	\$113,090	57	\$11,955
37	\$114,578	58	\$9,962
38	\$114,578	59	\$8,967
39	\$115,322	60	\$7,971
40	\$116,066	61	\$7,096
41	\$107,848	62	\$6,690
42	\$96,914	63	\$6,082
43	\$84,949	64	\$5,676
44	\$74,935	65	\$5,068
45	\$62,250		



You should read the important information about **Insurance in your super** before making a decision. Go to hostplus.com.au/membersguide/insurance where you will find full details about types of insurance, premiums and the rules that apply to your cover. The material relating to our insurance may change between the time when you read this Statement and the day when you sign the application form.

9. How to open an account

If you would like to join HOSTPLUS complete and return the enclosed **Membership form**. The information you provide will assist us in setting up your account.

If you're eligible for Super Choice, you're employed by a non-HOSTPLUS participating employer, you're self-employed or you're not in paid employment, you can join the HOSTPLUS Personal Super Plan by completing and returning the **Personal Super Plan membership form**.

You can also join online at hostplus.com.au

HOSTPLUS Personal Super Plan cooling-off period

A 14-day cooling-off period applies for Personal Super Plan applicants. Full details of the cooling-off period are available at hostplus.com.au/membguide/join



You should read the important information about **How to open an account** before making a decision. Go to hostplus.com.au/membguide/join. The material relating to opening an account may change between the time when you read this Statement and the day when you sign the application form.

Enquiries and complaints

If you have an enquiry or complaint, just call **1300 HOSTPLUS (1300 467 875)**. We'll do everything in our power to attend to your matter promptly and courteously. If you are not happy with the way your matter is handled, we want to know. Please write to us at:

HOSTPLUS
Resolutions Officer
Locked Bag 9
Carlton South VIC 3053

If you are not satisfied with either the way HOSTPLUS handles your complaint or its resolution, you may contact the Superannuation Complaints Tribunal (SCT). You can contact the SCT on 1300 884 114 for the cost of a local call, or you should address any correspondence to the SCT at:

Superannuation Complaints Tribunal
Locked Bag 3060
MELBOURNE VIC 3001

In some cases, you may also be able to ask the Financial Ombudsman Service (FOS) to resolve a dispute. FOS is an independent dispute resolution body. Depending on the nature of the complaint, FOS may have jurisdiction. You can lodge a dispute at www.fos.org.au or contact FOS on 1300 780 808, 9am – 5pm. You should address any correspondence to FOS at:

Financial Ombudsman Service
GPO Box 3
MELBOURNE VIC 3001

For more information or help

Call 1300 HOSTPLUS (1300 467 875), 8am–8pm, Monday to Friday

Fax 1800 HOSTPLUS (1800 467 875)

Visit hostplus.com.au

Email info@mail.hostplus.com.au

Mail Locked Bag 3, Carlton South VIC 3053

HOSTPLUS trustee's contact details:

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