

**Executive Member
Newsletter**
Half Yearly Edition 2011





Priorities and goals

A message from our CEO

One of the most important tools for an organisation to have is a clear vision to guide the way.

Our members always come first. Having our members as our foremost priority gives our organisation complete clarity on what our main objectives are and allows us to focus our resources on achieving our goals. With a clear goal and plan, we can continue to help our members maximise their retirement benefits.

In 2010, we've improved and enhanced the level and quality of our insurance so our members get better value for their money. And we've made it even easier for our members to talk to us face-to-face with new offices in Darwin, Parramatta and our first-ever branch on the Gold Coast.

While I was very pleased with what we achieved, there is always room for improvement and we constantly strive to better what we've done and achieved. That's why we start every year with clearly defined goals, and with a team that's completely committed, we always manage to deliver more to our members.

In 2011, we will be focusing on: Ensuring our members understand the importance of planning and saving for retirement. Helping members keep track of their super and bring all their super into one fund so they can save on fees and have the lifestyle they want in retirement. And helping our members understand the importance of having the right insurance cover for their circumstances.

As always, our members can expect even better investment performance and better service. Plus, we'll be working on a complete refresh of our website to make it more relevant and user friendly.

In short, HOSTPLUS Executive hopes to deliver even more value in the year ahead. Thank you for being a part of it by choosing HOSTPLUS Executive for your super.

David Elia
Chief Executive Officer

Use this handy checklist to maximise your super and get the results you deserve.

- Organise your complimentary financial plan worth \$550. Call us on **1300 799 998** to make an appointment.
- Review your investment strategy to suit your needs. Visit **hostplusexecutive.com.au** to find out more.
- Boost your super – even a little bit now can make a big difference later. Visit **hostplusexecutive.com.au** to find out more.
- Track down your lost super at **unclaimedsuper.com.au**

Tailored superannuation

As a HOSTPLUS Executive member, you're used to having things the way you like them. That's why HOSTPLUS Executive offers you flexibility, choice and control. Read on to find out how you can get maximum customisation – and maximum results – from your super.

HOSTPLUS Executive news

Find out how to get more out of your super and HOSTPLUS Executive membership.

HOSTPLUS Executive updates

We provide you with updates on the financial markets and important information on our investment performance.

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HOSTPLUS Executive news

Superannuation is one of the most tax-effective ways to grow your wealth. In this section, we provide you with smart strategies to maximise your investment, so your superannuation works harder to meet your long-term financial goals.



The search for \$18.8 billion*

Anyone who's found \$10 in a jacket pocket knows the joy of finding money you'd forgotten about. Imagine what it would feel like to find your share of \$18.8 billion.

The problem of lost super

At last count, there were around 5.8 million lost super accounts worth \$18.8 billion. This represents roughly one in five of all superannuation accounts, and an average of one lost account for every two Australian workers.

So how does super get lost?

Super is lost when your super fund is unable to contact you. This can happen when you change jobs, move house, get married or change names.

Since most people change jobs or move house several times over the course of their career, there's every chance some of the \$18.8 billion belongs to you.

Why you should find your lost super

If you don't think you have enough lost super to bother tracking it down, remember you're not just losing your hard earned money, you're also missing out on all the interest your money could be earning.

What appears to be a paltry amount today could become a sizeable sum over the next 20 to 30 years.

So why not do a quick search? You may even be surprised by how much you find.

Finding your lost super is easy

There are a few easy – and free – ways to track down your money.

Do a search at unclaimedsuper.com.au by entering your full name and date of birth. Or head to ato.gov.au/super to do a superseeker search. If you've got your Tax File Number handy, you can also contact the ATO on 13 10 20.

Get your lost super back

Once you've found your lost super, simply complete the *Request to transfer your entire balance form* enclosed with your member benefit statement to transfer it to your HOSTPLUS Executive account, so you don't lose track of it again.

*Source: Treasury, February 2011.

Refining your investment strategy

The key to getting the best out of your super investment is making sure your investment strategy is right for you. While there are many factors to consider, in the end it comes down to knowing your attitude and working with it.

Why the right strategy is vital

With super being a long-term investment, what seem like small differences now could significantly impact your returns in the future. That's why it's important to develop an investment strategy that matches your investment goals, attitude to money, financial position and life stage. And to review it regularly to make sure your investment is on track.

Your investment attitude

Before you make an investment choice, think about how prepared you are to accept short-term fluctuations for a potentially better long-term result.

The assets you can invest your super in are generally divided into growth assets and defensive assets. Growth assets generally provide a higher return over the long term but have a greater possibility of negative returns in the short term. Defensive assets generally provide a lower possibility of negative returns but also provide lower returns over the long term.

Different HOSTPLUS Executive investment options provide different mixes of growth and defensive assets to suit your needs.

How investment choice works

When you join HOSTPLUS Executive, your super is invested in our default option – the Balanced option – unless you've chosen otherwise.

The Balanced option is designed to deliver a balanced level of risk and return. HOSTPLUS Executive also offers 17 other investment options that provide different mixes of risk and return. With the flexibility to mix and match options as you wish, you can develop an investment strategy that suits your needs.

What suits you best today might not be what suits you best in 10 years. So remember to review your investment strategy regularly to ensure it keeps up with your changing goals and priorities over your working life.

Developing your investment strategy

Besides your attitude to money, there are a few more factors you should also consider when deciding on your investment strategy – your income, other investments, investment goals, financial commitments and how long you have until retirement. That's where speaking to a licensed financial adviser can help.

Book a complimentary appointment with one of our licensed financial advisers by calling **1300 799 998**.

Get to know your options

To find out more about the investment options available to you, simply visit hostplusexecutive.com.au or download a copy of our *Investment choice guide*.

Make an investment choice

If you'd like to make or change your investment choice, the quickest and easiest way is to log in to your SuperSite account at hostplusexecutive.com.au with your member number.

New Indexed Balanced option

Many other super funds claim to offer low cost options. However, most aren't as low cost as our new Indexed Balanced option – with rock bottom investment fees between 0–0.04%. If you find an Indexed Balanced option with a lower fee than ours, please let us know – we'd be interested to find out.

New investment options

On 1 June 2011, we're also introducing two new individual manager options, IronBridge Capital Management – International Shares and BlackRock Asset Management – International Fixed Interest. For full details visit hostplusexecutive.com.au



Should I self manage my super?

We've been talking about getting more involved with your super. But should you take control completely and manage it yourself? Here's what Scott Pape has to say.

Dear Scott,

I'm 37, work full time and have about \$100,000 in super. My accountant has suggested that I start a self-managed super fund but I'm not really sure. What would you do?

The Barefoot answer

Self-managed superannuation funds (SMSF) seem to be the latest must-have financial fashion accessory for high-income earners and other investors who want control over their super investment.

The number of people setting up these funds has quadrupled in the last 10 years. But whether or not you should jump on the bandwagon depends on the following factors.

Do you have the coin?

There are a lot of costs in both setting up your fund and then administering it each year. How much? Well, the Australian Securities and Investments Commission (ASIC) suggests it's about \$1,700 each year. The bulk of which will be paid to your accountant – who suggested it in the first place. Hmmm.

You need to look at what you're paying at the moment and work out how much extra it will cost you.

Generally, \$200,000 is the absolute minimum amount that I would recommend you have before you even think of starting an SMSF.

Do you have the skills?

One of the main reasons people start an SMSF is to have direct control over their investment decisions.

The first thing to consider is whether you have the skills to manage your own investments better than the full-time professionals who currently manage your money. If you don't, you'll need to think about who will – and work out how much they'll charge for advice.

Do you have the time?

Finally, you need to understand that DIY equals Do-It-Yourself – and in the eyes of the law you're responsible for making sure that your fund adheres to all the (often complex) superannuation laws relating to recording, reporting and taxation.

Even with the help of your accountant, managing your own super will take much more time than you currently spend as a member of a super fund. Whether it's worth the extra time and expense, is a decision only you can make.

The information in this article has been prepared by Scott Pape (AFSL 302081). The trustee does not endorse, give any guarantees, undertakings or warranties concerning the accuracy, completeness or nature of the information prepared by Scott Pape. In particular, the trustee has not reviewed this article or its content. The views and opinions of Scott Pape do not necessarily reflect the views of the trustee. If you have any questions in relation to this article please contact Scott Pape at scott@barefootinvestor.com

Scott Pape – The Barefoot Investor – is a bestselling author and nationally syndicated columnist for News Limited, hosts his own self-titled personal finance show on CNBC, regularly appears on Channel 10's *The 7pm Project* and is a regular contributor on radio.



Smarter ways to manage money

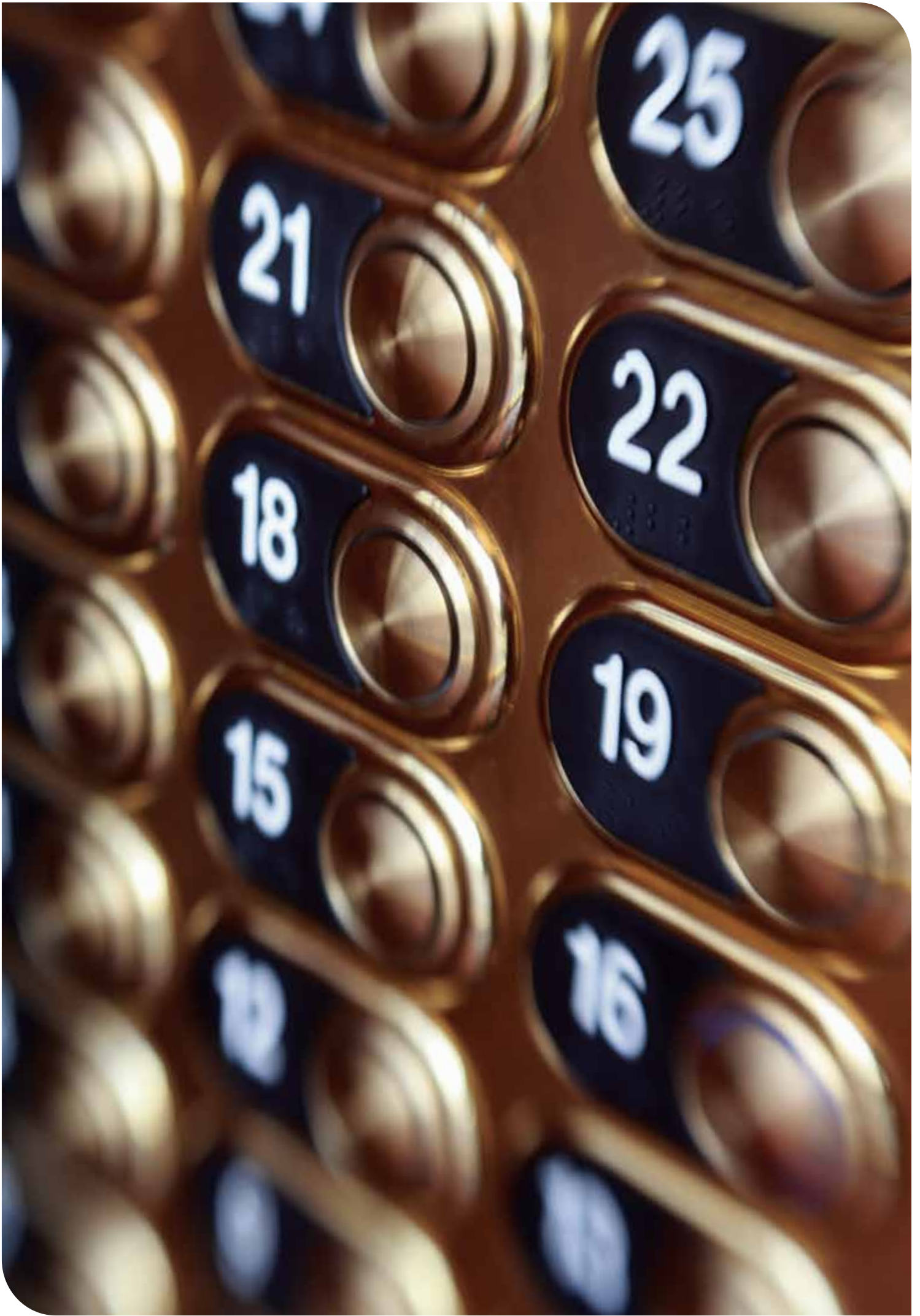
We may be a super fund but we understand super is just one part of your finances. For you to be in the best financial position possible, all those parts need to work together.

Teaming up with Barefoot

That's why we developed a financial education program for our members. As part of the program, young Aussie finance guru, Scott Pape, delivers a series of seminars on all things money related to HOSTPLUS members. Scott tours nationally for HOSTPLUS dishing out common sense, jargon-busting advice on how to live richly, no matter what you earn.

To find out how you can get a seat at Scott's next show, visit education.hostplusexecutive.com.au

With 18 different investment options you're sure to find something to suit your investment needs, personal style and attitude to money. You can achieve a lot of the investment control you might be after without the cost or headache of juggling your own super yourself. And at a low \$2 per week member fee, plus investment expenses, doesn't it make sense to stick with HOSTPLUS Executive? Book your complimentary appointment with a licensed financial adviser by calling 1300 799 998.



Women: Break the super glass ceiling

With the election of our first female Prime Minister, many Australians probably think we're way ahead on women's rights. The truth is, inequality still exists in some areas. Super included.

The super gender gap

A Business Week article in 2007 stated that for 94% of all women surveyed, financial independence is the most important life goal – more important than the wish for children and a lifelong partner.

Yet, Australian women still have significantly less super than men.

The Retirement Savings Update released by The Association of Superannuation Funds of Australia Limited in 2008 states that on average women currently have just \$35,520 in their super fund, compared to \$69,050 for men.

Also, men retire with almost double the amount of super. The average retirement payout is \$136,000 for men and only \$63,000 for women.

What does the gap mean for women?

Under our current super system, if you stay in the workforce for 35 years, work full-time the entire period and earn the Average Weekly Ordinary Time Earnings while your employer contributes 9% to your super, you should be able to retire on about 60% of your pre-retirement income.

Unfortunately, very few of these assumptions work for women. The result is that many women, particularly single women, are being forced to rely on the Age Pension for their retirement income. But current pension payments for a single person are \$2,500 less than the \$20,981 needed each year for a modest lifestyle as defined by the Westpac-ASFA Retirement Standard. A modest lifestyle covers basic needs but may not enable a retiree to afford extras such as occasional holidays, private health insurance, a reasonable car and household goods.

How you can close the gap

To help ensure your financial independence in retirement, here are some simple strategies that can get your super working harder for you.

Keep track of your super balance

It doesn't make sense to pay more than one set of fees. So consider putting all your super into your HOSTPLUS Executive account. It'll be easier for you to manage your super and ensure your retirement savings are on track. Simply complete and return the *Request to transfer your entire balance form* enclosed to do so.

Find your lost super

Don't forget to find any lost super you may have. However small the amount, it's your money and it all adds up. See our article on page 5 for more on finding your lost super.

Boost your super when you're working

If you plan on taking a career break, add more to your super while you're working. Making extra super payments could also give you tax savings and other benefits.

You may be eligible for government co-contributions where the government matches your contribution by up to \$1,000

Add to your super when you're not working

Just because you're not working doesn't mean you can't still add to your super. Your partner can too. A \$3,000 spouse contribution could earn your partner a tax offset of up to \$540.

Why is there a gap?

There are three main issues that have led to the super gender gap:

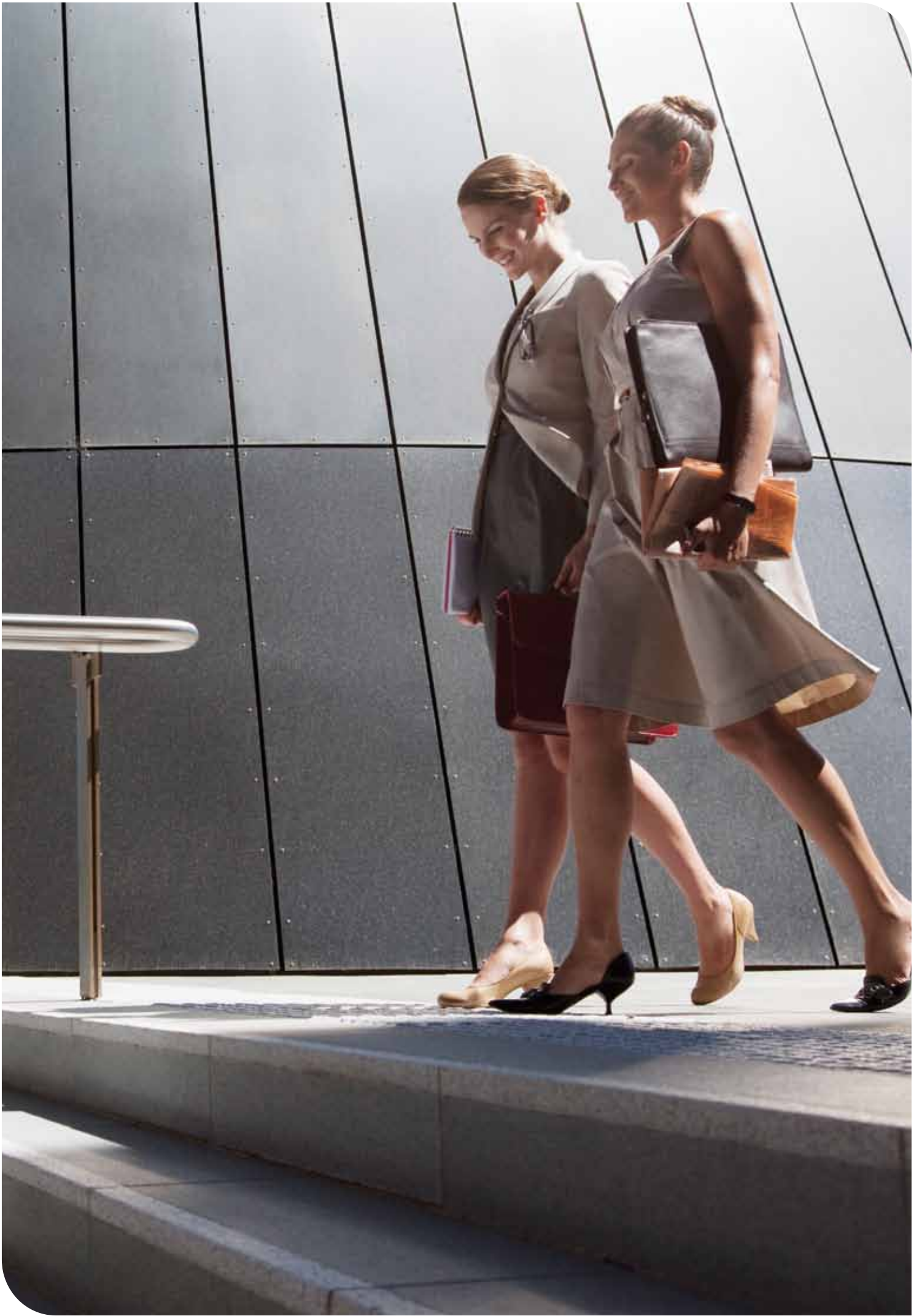
- women on average earn 17% less than men
- many women take career breaks to care for their children or elderly parents
- women make up about three-quarters of all part-time workers and many miss out on the 9% super payments from their employer because they fall below the minimum \$450 salary level.

Source: Australian Council of Trade Unions – Equal Pay and Better Jobs for Women Campaign 2010.

“Women can generally expect to live longer, to take time out of the workforce with carer responsibilities and, on average, working women earn 17% less than men. This means that women have a need for more super to support a longer life. Unfortunately, women generally have less in their accounts.”

Professor Berna Collier
ASIC Commissioner

To get your super working harder so you can close your super gap, visit hostplusexecutive.com.au today.



Protect what you've built

The further ahead you are in life, the more you have to protect. You already take out insurance to protect things that are valuable to you, like your home or your car. So why wouldn't you protect your most valuable assets – your health and earning potential?

The importance of insurance

The lifestyle you enjoy depends on your ability to earn an income. And as you start to acquire a family and a home, you also acquire added financial responsibility. That's why making sure you're well protected is a vital part of a smart financial plan.

With **HOSTPLUS** Executive, you have access to a comprehensive range of personal insurance options, to ensure the wealth protection part of your financial plan is well covered.

Ensure the right amount of cover

HOSTPLUS Executive gives your employer the option to make special insurance arrangements for you, as part of your overall superannuation benefits package.

If your employer hasn't made any specific insurance arrangements with **HOSTPLUS** Executive, you'll still receive automatic protection against death, total and permanent disability and terminal illness under our standard insurance cover.

However, standard levels often cover only part of your insurance needs. Especially if you have debts, dependants, or both.

To help ensure your loved ones are adequately protected, check your current death, total and permanent disability and terminal illness cover and make sure you've got as much cover as you need.

You should also consider salary continuance cover, which allows you to replace up to 90% of your predisability salary, if you can't work because of sickness or injury – such as breaking your leg skiing or getting hurt in a car accident. A maximum of 75% is paid to you as income and the rest as a contribution to your **HOSTPLUS** Executive super account, so your retirement savings stay on track too.

Premium cover without premium prices

With **HOSTPLUS** Executive, you have access to a range of flexible insurance options at truly affordable rates. Premiums are deducted directly from your super, giving you a tax effective way to protect yourself and your family. So review your cover and make sure you have peace of mind today.

Talk to an expert

HOSTPLUS Executive gives you access to licensed financial advisers from Industry Fund Financial Planning (IFFP) AFSL 232514, who can help you make the right insurance choices without the high fees. They can also help you with budget planning, debt reduction, investing and much more.

The licensed financial experts at IFFP are professionally qualified advisers who are not paid on a commission basis. So the advice you're given is based entirely on your needs and circumstances, not theirs.

What's more, as a **HOSTPLUS** Executive member, you're entitled to a complimentary initial financial plan for superannuation – worth \$550 – in your first year of membership. Your plan will cover investment choice, levels of insurance, types of contributions and superannuation projections.

So why not take the opportunity to get your super working harder for you? Book your complimentary appointment by calling **1300 799 998** today.

Make sure you're covered

To ensure you have the right cover for your circumstances, speak to one of our licensed financial advisers. Book your complimentary appointment by calling 1300 799 998 today.

Did you know?

You can apply for additional insurance of up to \$3 million in TPD cover and \$5 million in Death cover. It's another great benefit of being with **HOSTPLUS** Executive.

A photograph of a modern building interior, likely a hotel or office lobby. The scene features a balcony with a white metal railing and a dark wooden door. The walls are made of light-colored wood panels. The text is overlaid on the middle section of the image.

HOSTPLUS Executive updates

The key to success is the ability to adapt. In this section, we help you succeed by keeping you up to date with the latest investment and market performance.

Net fund earning rates to 31 December 2010

Pre-mixed options

Year	Capital Stable	Conservative Balanced*	Indexed Balanced [#]	Balanced	Shares Plus
6 months	5.73%	6.91%	0.89%	7.26%	9.26%
1 year	8.15%	7.35%	n/a	6.24%	5.68%
3 years p.a.	3.18%	2.77%	n/a	-2.16%	-2.22%
5 years p.a.	5.17%	n/a	n/a	3.75%	4.28%

Past performance is not a guide to future performance.

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

[#] The return for the Indexed Balanced option represents a period of 1 month (1 – 31 December 2010). This option was introduced on 1 December 2010.

Sector options

Year	Cash	Diversified Fixed Interest	Property	Australian Shares	International Shares
6 months	2.21%	2.69%	2.63%	12.25%	13.18%
1 year	4.56%	8.31%	6.65%	3.77%	7.81%
3 years p.a.	4.99%	6.55%	-0.84%	-0.37%	-5.73%
5 years p.a.	5.28%	5.53%	4.70%	7.22%	0.70%

Past performance is not a guide to future performance.

Individual manager options

Option	6 month	1 year	3 years p.a.	5 years p.a.
Macquarie Investment Management – Australian Fixed Interest	0.91%	5.09%	6.46%	4.97%
Bridgewater Associates – Diversified Fixed Interest [†]	5.07%	13.83%	9.35%	7.54%
Lend Lease Managed Australian Prime Property Funds – Property	4.30%	7.32%	-0.69%	5.52%
Industry Super Property Trust – Property	3.91%	9.20%	-1.30%	5.13%
Balanced Equity Management – Australian Shares	12.03%	0.91%	0.01%	5.98%
Macquarie Investment Management – Australian Shares	11.35%	2.65%	-3.41%	5.38%
Paradise Investment Management (Small cap) – Australian Shares	20.92%	12.10%	0.28%	8.38%
Perpetual Investment Management – Australian Shares	10.33%	5.25%	1.46%	7.93%
AllianceBernstein – International Shares [†]	0.81%	-5.70%	-13.57%	-6.60%
Marvin & Palmer Associates – International Shares	6.48%	2.70%	-11.38%	-0.13%

Past performance is not a guide to future performance.

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

Super news

Market update

Supplied by JANA Investment Advisers Pty Ltd

The last six months of 2010 saw a trend towards more positive returns for **HOSTPLUS** Executive investment options.

The six month period to 31 December 2010 began with signs of continued economic recovery that was experienced in the first half of 2010. Both international and Australian share markets had solid growth while bond yields were very volatile.

In the US, the renewed tax cuts and further quantitative easing provided hopes for consumer spending and employment growth. But European countries such as Greece and Ireland continued to face sovereign-debt problems. It wasn't all doom and gloom overseas, with an improvement in the German economy and outperforming developing economies.

Specifically in December, some global stocks reached their highest levels. Consumers continued striving to reduce debts in a high savings rate, causing Consumer Staples to underperform. Healthcare and Utilities also underperformed. But the Energy and Materials sectors led the way.

In Australian sharemarkets, the S&P/ASX300 Accumulation Index returned 13.3% for the six months to 31 December 2010.

The Australian Resources sector performed strongly overall, only weakened slightly as the end of the year floods in Queensland impacted production. The Energy and Materials, and Property sectors also performed well. Industrials and Consumer-related Stocks were a little weaker, a reflection of underperforming retail sales expectations. Only one sector performed negatively – the Telecommunications sector, which was influenced by Telstra's weak share price.

Global bond markets experienced some volatility during this period due to the expected growth in the US economy and the downgrades of other weaker economies.

The future looks positive for both the global and domestic markets, however markets are still facing some headwinds. Economists predict world economic growth to continue in 2011, with the potential for even higher growth if the US recovers more strongly than is currently forecast.

Duplicate accounts

If you have more than one membership account with **HOSTPLUS** Executive, we will either automatically merge these duplicate accounts or contact you to confirm your details so we can merge the accounts.

When accounts are merged, all contributions and personal details are transferred to the original account and any duplicated fees and charges will be returned to your account. Once the accounts have been merged, we will inform you in writing of the merge and which membership number you should use.

If more than one account is opened for you in **HOSTPLUS** Executive or if you have also joined another division of **HOSTPLUS**, you are eligible for insurance cover in only one account (usually you will retain the highest level of insurance cover in the respective account, unless you tell us otherwise). Insurance premiums will be refunded for the account with the cancelled insurance cover.

Helping you keep in touch with your super

To help you keep track of your super, the government is introducing a matching system where your super fund can arrange to search for your other super accounts using your tax file number. To help our members get back in touch with their other super accounts, we will look to introduce this system at **HOSTPLUS**. More information about this initiative will be communicated to you shortly.

HOSTPLUS *Executive*
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