

HESTA Annual Report

Issued 29 September 2017

year | in | review

who we are

The HESTA team is built around the shared belief that it's a privilege to work with the health and community services sector – people who make such a significant contribution to our community.

Since 1987, we have been the industry super fund dedicated to health and community services.

We have grown to become the only national super fund solely dedicated to your sector.

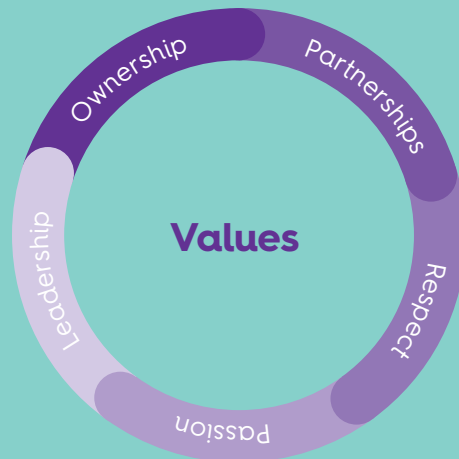
Supporting our members to achieve the best possible retirement for each of them is at the core of all that we do.

Mission

To make a real difference in the retirement outcomes of every member.

Vision

Be the super fund for Australian health and community services and prepare and empower our members for wellbeing in retirement.



some key stats

As at 30 June 2017

**Assets
invested globally**
\$40 billion



Total members
830,000



**Return since
inception in 1987**
8.77% p.a.*

We service more than
70,000
employers Australia-wide



* Past performance is not a reliable indicator of future performance.
Investments may go up and down in value.



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welcome

Every 30-year-old has a rich life story to share – but HESTA holds within ours 830,000 more.



Chair Angela Emslie and CEO Debby Blakey

We are pleased to present the HESTA Annual Report in our milestone thirtieth year.

Since 30 July 1987 HESTA has had the immense privilege of serving the evolving needs of Australia's health and community services sector.

Your story is our story: a 30-year journey with 830,000 unsung heroes – more than half of the people in your sector nationally – who entrust us with their financial future.

From the beginning we have poured our efforts into achieving the best possible outcome for every member. Our default investment option Core Pool's strong long-term performance, and outstanding 10.96% return this year, are testament to that focus.

We have grown into a \$40 billion fund partnering with 70,000 employers to ensure our members can retire well.

Today, HESTA is driving meaningful change for our members' futures across three key platforms: directly supporting your industry; advocating for members and for women throughout our community; and investing in a better future for all Australians.

Supporting your industry

We have grown and refined our super advice and education services in the workplace this year to empower both our members and employers with expert financial knowledge and skills.

Our awards program continues to recognise and reward outstanding levels of professional excellence and innovation across nursing and midwifery, aged care, community services, early childhood education and care, and primary health.

who runs the fund

Supporting our members and women across our community

Our members' financial wellbeing is at the centre of every decision we make – but our commitment to you does not stop there.

This year HESTA has intensified our focus on ensuring all members have every opportunity to build a more secure future. Our initiatives to improve financial inclusion, support a fairer super system, and promote equity in financial outcomes for Aboriginal and Torres Strait Islander Peoples, are both practical and aspirational ways to empower our members.

We have also intensified our advocacy on the issues most critical for women within and beyond our fund, a natural role for us given more than 80% of HESTA members are women.

In June this year we widened its scope to addressing the public health emergency of family violence, approaching the government to change super rules to allow survivors, as a last resort, to access some of their super.

We have also become a leading partner in action to drive better diversity on boards, an indicator of well-run companies that deliver long-term value to shareholders.

Investing in a better future for all

Our vision of a better tomorrow for members has driven much achievement, enhancement and innovation in our investment performance and strategy this year.

While we join our members in celebrating our solid annual returns against a backdrop of extraordinary global change, we are preparing for the many challenges our expert team foresees in the global economic climate.

To meet them, we have strengthened our investment team by increasing our focus on innovative and sustainable investing, and introducing a board sub-committee to help govern our investment process. These changes will be instrumental in ensuring we maintain our strong financial position within a rapidly changing world, to future proof our members' investment.

We hope this report captures not only our work for you and your industry this year, but our gratitude to the many members and partners who have been with us from the beginning. Everything we are today is a tribute to you.



Debby Blakey
Chief Executive Officer



Angela Emslie
Chair

The Fund is run by H.E.S.T. Australia Limited, an APRA and ASIC licensed trustee company with Guarantors (who don't receive dividends). Guarantors represent employee and employer organisations and some are eligible to nominate Directors to the Board.

There are 14 Trustee Directors on the Board, with an Independent Chair, an Independent Director who serves as the Chair of the Investment Committee, and equal appointments from employee and employer organisations in the health and community services sector. This ensures the voices of both employers and members are heard and that their views are taken into account when decisions are made.

The Board meets up to eight times a year, overseeing every aspect of the Fund including investments, administration, communications and service delivery. The role of the Board is to determine the strategic direction of the Fund and to monitor operations, ensuring the Fund is administered in accordance with the Trust Deed, relevant legislation and regulations.

The Trustee holds professional indemnity insurance to protect both itself and the Directors from claims against them and there has never been a claim under the insurance policy and no penalties have been imposed under the *Superannuation Industry (Supervision) Act 1993*, which covers the regulation, responsibilities and activities of super funds.

If you would like to know more about the governing rules of the Fund, you can obtain a full copy of the Fund's Trust Deed or the rules governing the appointment of Trustee Directors by contacting us at hesta.com.au or on 1800 813 327.

More information on individual Directors is available on pages 8–9 and at hesta.com.au/disclosure where you may also obtain copies of the *H.E.S.T. Australia Limited Constitution and Governance Disclosures*.

our board

The HESTA Board is made up of Directors nominated by Guarantor organisations in health and community services. There are six Directors on the Board representing the Employee Guarantors and six representing the Employer Guarantors. Additional Directors serve as the Independent Chair and Independent Director/Investment Committee Chair.



Angela Emslie

Independent Chair

Angela Emslie was first appointed to the Board in 1994 and has held the position of Independent Chair since 2013. Angela has extensive experience as a professional Trustee Director having served on a range of industry fund and related boards for almost 20 years. Angela is currently Director of Frontier Advisors (nominated by HESTA), Member of Industry Super Australia Advisory Council (nominated by HESTA), Director of Suicide Prevention Australia and was elected to the Board of Principles for Responsible Investment in 2016.

Mark Burgess

Independent Director

Mark was appointed to the Board in 2017 as an Independent Director and Chair of the Investment Committee. Mark has had an extensive global career leading asset managers and owners. He is a senior adviser to the industry and holds several Non-Executive Director positions.

1st row: Angela Emslie, Mark Burgess
2nd row: Klaus Zimmermann, Daniel Sims, Dr Deborah Cole
3rd row: Catherine (Cath) Smith, Gary Humphrys, Valerie Lyons
4th row: Lloyd Williams, Anna Claude, Helen Gibbons
5th row: Lisa Darmanin, Michael Borowick JP, Pip Carew

Employer organisation appointed Directors (nominated by their organisations)

Klaus Zimmermann

Deputy Chair

Klaus was appointed to the Board in 2012, representing Aged & Community Services Australia. Klaus has more than 30 years of experience at senior executive, CEO and board levels, and has worked in the aged care sector since 1991.

Daniel Sims

Director

Daniel was appointed to the Board in 2016, representing the Australian Private Hospitals Association. Daniel has 25 years of experience working as a financial executive in the healthcare industry in both Australia and the US.

Dr Deborah Cole

Director

Deborah was appointed to the Board in 2015, representing the Australian Healthcare and Hospitals Association. Deborah has a long history of working in senior positions in the health and community services sector.

Catherine (Cath) Smith

Director

Cath was appointed to the Board in 2015, representing the Australian Council of Social Service. Cath has 30 years of experience in the not-for-profit social and community services sector.

Gary Humphrys

Director

Gary was appointed to the Board in 2015, representing Catholic Health Australia. Gary has extensive experience as a professional Trustee Director to the energy and mining industries and has held board and related committee roles.

Valerie Lyons

Director

Valerie was appointed to the Board in 2013, representing Leading Age Services Australia. Valerie has 35 years of experience in the health and finance industries including over 20 years experience in leadership roles.

Employee organisation appointed Directors (nominated by their organisations)

Lloyd Williams

Deputy Chair

Lloyd was appointed to the Board in 2012, representing the Health Services Union. Lloyd is current Branch Secretary at the Health and Community Services Union (HACSU) and National President of the Health Services Union (HSU).

Anna Claude

Director

Anna was appointed to the Board in 2017, representing the Australian Nursing and Midwifery Federation. Anna has extensive experience in both superannuation and industrial relations having worked in various roles focused on improving outcomes for workers in the healthcare sector.

Helen Gibbons

Director

Helen was appointed to the Board in 2016, representing United Voice. Helen is the Assistant National Secretary at United Voice and has held a number of senior leadership roles at United Voice since 2004.

Lisa Darmanin

Director

Lisa was appointed to the Board in 2013, representing the Australian Services Union. Lisa is Executive President of the Australian Services Union (ASU), Victorian and Tasmanian Authorities and Services Branch. Prior to this role Lisa worked as an ASU Organiser.

Michael Borowick JP

Director

Michael was appointed to the Board in 2015, representing the Australian Council of Trade Unions. Michael is the Assistant Secretary of the Australian Council of Trade Unions (ACTU).

Pip Carew

Director

Pip was appointed to the Board in 2014, representing the Australian Nursing and Midwifery Federation. Pip is the current Assistant Secretary of the Australian Nursing and Midwifery Federation (Victorian Branch).

board committees

(as at 30 June 2017)

Specialised responsibilities are delegated to Board-appointed committees consisting of Directors who report to the full Board Meeting.

Audit and Risk Committee

Chair Valerie Lyons

Members Daniel Sims, Gary Humphrys, Helen Gibbons, Klaus Zimmermann, Michael Borowick.

Role Responsible for ensuring the Fund observes high standards of business behaviour and ethics, complies with all legal and regulatory requirements, manages risk effectively, and provides assurance regarding the quality and reliability of financial information.

Governance and Remuneration Committee

Chair Lloyd Williams

Members Angela Emslie, Catherine Smith, Deborah Cole, Pip Carew

Role Responsible for all governance and remuneration matters including maintaining the appropriate balance of skills and expertise of Directors, reviewing and recommending Director training and education, Director and Executive Management remuneration, and Board performance and processes.

Investment Committee

Following a major review of our investment strategy, we created an Investment Committee to support the Fund's investment processes and structures into the future. The committee held its inaugural meeting on 19 April 2017.

Chair Mark Burgess

Members Angela Emslie, Anna Claude, Lisa Darmanin, Gary Humphrys, Klaus Zimmerman, Melda Donnelly (External Independent Adviser), Tim Hughes (External Independent Adviser)

Role Assists the Board to set the Fund's investment objectives and ensures investment risks are monitored and managed. The committee is also responsible for monitoring all investment decisions to ensure they are made in accordance with Fund governance, ensuring the Trustee's organisational structure and resources supports the investment objectives of HESTA, and monitoring the performance and effectiveness of the investment strategy.

Directors' attendance at meetings

Directors (during the period of 1 July 2015 to 30 June 2016)	Board meetings attended	Investment Committee meetings attended	Audit and Risk Committee meetings attended	Governance and Remuneration Committee meetings attended
Michael Borowick JP	7 out of 8	–	3 out of 4	–
Mark Burgess (appointed 3/4/2017)	2 out of 2	3 out of 3	–	–
Paula (Pip) Carew	8 out of 8	–	–	5 out of 5
Anna Claude (appointed 1/1/2017)	4 out of 4	3 out of 3	–	–
Deborah Cole	8 out of 8	–	–	5 out of 5
Lisa Darmanin	8 out of 8	3 out of 3	2 out of 2	–
Angela Emslie	8 out of 8	3 out of 3	–	5 out of 5
Helen Gibbons	8 out of 8	–	4 out of 4	–
Brett Holmes (term expiry 31/12/2016)	4 out of 4	–	–	2 out of 2
Gary Humphrys	8 out of 8	2 out of 3	4 out of 4	–
Valerie Lyons	7 out of 8	–	3 out of 4	–
Daniel Sims	7 out of 8	–	2 out of 2	2 out of 2
Catherine (Cath) Smith	7 out of 8	–	–	5 out of 5
Lloyd Williams	7 out of 8	–	–	4 out of 5
Klaus Zimmermann	7 out of 8	3 out of 3	3 out of 4	–

External Investment Committee Members

Melda Donnelly	–	3 out of 3	–	–
Tim Hughes	–	3 out of 3	–	–

recognition and awards

Our products

- HESTA was awarded 5 Heron Quality Stars for HESTA (Accumulation) and HESTA Income Stream products. The Heron Partnership rating indicates outstanding products with a great depth of features and flexibility. Our default investment option Core Pool was classified as one of their top ten MySuper funds.
- We were named Chant West Specialist Fund of the Year for the second year in a row. We were also recognised for our ongoing excellence for both super and pensions with their highest rating – five apples.
- HESTA Personal Super won SelectingSuper's Personal Select Choice of the Year Award.
- We won a digital innovation award in *Pensions and Investments'* 2016 Excellence & Innovation Awards.
- Independent super research company, SuperRatings continually awards us the highest rating possible – Platinum – for our super and pension products.

Our commitment

Responsible investment

- We strive to keep improving our responsible investment practices. Our approach is grounded in our key objective: to maximise returns for members while minimising risk. Our approach also recognises that our members' best interests are served by supporting a healthy economy, environment and society.
- Members who actively wish to limit investments in fossil fuels can choose Eco Pool, HESTA's socially responsible investment (SRI) option, which aims to be fossil fuel free. Eco Pool was the first super SRI option launched in Australia, and independent ratings agency, SuperRatings, now rates it as the top performing balanced SRI option over 1, 5 and 10 year timeframes.*

Sustainability

- We received the CitySwitch Award for Victoria for demonstrating outstanding environmental leadership, reporting significant energy savings and achieving a six star NABERS rating.
- We also won the 2016 Signatory of the Year for efficiency for tenancies under 2000 sqm in Victoria and received a 'highly commended' for all tenancy sizes across Australia for energy efficiency.

Our organisation

- HESTA was awarded the Employer of Choice Award at the Australian Business Awards in 2017, recognising our outstanding commitment to and leadership in innovative and people-centred workplace practices.
- We were also proud to be awarded the Employer of Choice for Gender Equality citation from the Workplace Gender Equality Agency (WGEA), and to be commended for our equality-focused people practices.

Our people

- **Lisa Darmanin, Board Director** received the Outstanding Trustee Director Award at the Australian Institute of Superannuation Trustees Awards.
- **Dirk Dobbs, Business Strategy Adviser** was awarded the Outstanding Fund Staff Member Award at the Australian Institute of Superannuation Trustees Awards.
- **Mary Delahunty, General Manager Business Development and Policy** was appointed to the Ministerial Advisory Council on gender equality strategy. The council will play a key role in shaping future directions for gender equality in Victoria.
- **Martine Calache, Business Development and Policy Coordinator** was awarded the Mavis Robertson Scholarship from Women in Super, which allowed her to complete the Sales Fundamentals course at the Australian Institute of Management.
- **Kelly Smith, General Manager Admin and Insurance** was awarded a FEAL Masters Program Scholarship to complete the Advanced Negotiations course at Melbourne Business School.



* SuperRatings Sustainable Fund Credit Ratings Survey (30 June 2017)

Product ratings are only one factor to be considered when making a decision. See hesta.com.au for more information.

we're here for your future

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investor update

In a year of seismic global change, we've kept a steady focus on long-term performance, responsible investment and innovation.



Sonya Sawtell-Rickson
Chief Investment Officer

It has been an interesting year in global investment markets. Geopolitical events, such as the ongoing negotiations around Brexit, and Donald Trump's election as US president, were watched closely, as were the three interest rate rises effected by the US Federal Reserve.

While global markets saw short-term reactions, the increasingly synchronised growth in the global economy saw markets finish the year strongly.

Years such as this one highlight the value of using a diverse spread of investments to offset risk, and of keeping our focus long term.

HESTA's investments did well this year, thanks to excellent performance in international shares, especially emerging market shares, as well as Australian shares and infrastructure.

A standout return of 10.96%* from our default super option Core Pool (where more than 80% of our members are invested) and sound HESTA Income Stream returns of 11.23%* from our Balanced option and 5.45%* from the Defensive option (which, combined, create the default investment strategy) were great outcomes for our members.

Core Pool's return since inception is 8.77 % per annum* – well above its target return of CPI plus 4% per annum.

The Income Stream Balanced option return since inception is 4.59% per annum* and Defensive is 5.21% per annum*.

Focusing on the future

As part of future proofing the HESTA investment approach, this year we conducted a major review of our investment strategy. The review focused on ensuring we're equipped to achieve the ambitious long-term investment objectives and strong outcomes for our members.

One outcome was a new five-year plan, with a stronger focus on long-horizon investing, responsible and impact investing, and efficiency. It has never been clearer that sustainability is the key to delivering benefits to our members, our society and our planet.

The plan will be overseen by our newly formed Investment Committee, which includes independent director and investment expert Mark Burgess, four board directors and two external committee members, Melda Donnelly and Tim Hughes. The committee brings together a rich spectrum of knowledge and experience to help us navigate the challenges and opportunities ahead.

Find out more about how we're investing in our shared future at hesta.com.au/investments

*Investments may go up or down. Past performance is not a reliable indicator of future performance. The returns shown are net of indirect costs and taxes.

HESTA investment performance

for year ended 30 June 2017

Ready-Made Investment Pools

Annualised returns as at 30 June 2017 (% p.a.)

Investment Option	Since Inception (% p.a.)**	10 Years (% p.a.)**	7 Years (% p.a.)**	5 Years (% p.a.)**	3 Years (% p.a.)**	1 Year (% p.a.)**
Conservative Pool (1/7/95*)	6.51	4.89	6.64	7.08	6.00	6.66
Core Pool (1/8/87*)	8.77	5.23	8.96	10.33	7.95	10.96
Eco Pool (1/2/00*)	6.41	6.52	10.72	13.86	11.67	14.54
Shares Plus (1/7/95*)	8.47	5.35	9.68	11.78	8.45	12.79

Your Choice Asset Classes

Annualised returns as at 30 June 2017 (% p.a.)

Investment Option	Since Inception (% p.a.)**	10 Years (% p.a.)**	7 Years (% p.a.)**	5 Years (% p.a.)**	3 Years (% p.a.)**	1 Year (% p.a.)**
Cash (1/7/01*)	3.57	3.08	2.96	2.44	2.15	1.91
Global Bonds (1/7/01*)	5.61	5.60	5.30	4.34	4.13	1.52
Property (1/7/01*)	6.66	4.18	8.50	9.00	10.12	7.69
Infrastructure (1/7/01*)	8.24	7.53	9.88	9.84	10.39	10.58
International Shares (1/7/01*)	4.54	4.78	10.54	14.53	10.05	18.66
Australian Shares (1/7/01*)	8.93	5.10	9.50	11.50	6.77	12.66
Private Equity (1/7/01*)	8.04	9.13	12.55	13.02	12.74	9.87

* Refers to date of inception for the investment option.

**Annualised return for the period.

Investments may rise or fall. Past performance is not a reliable indicator of future performance.

How returns are applied to HESTA accounts

Each week a unit price for each investment option is calculated which reflects the net movement in value of the underlying assets. The movement may be positive or negative. This unit price is applied to the number of units held by each member to calculate an account balance.

Indirect costs (available at hesta.com.au/fees) and taxes are deducted from investment earnings before the unit price is declared.



HESTA Super investment options

at 30 June 2017, in detail

Ready-Made investment pools

	Objective	Strategy [^]
Conservative Pool	<p>Medium-term (5 years) CPI + 1.5% Long-term (10 years) CPI + 3.0%</p> <p>Aims for the lowest year-to-year variation in returns of all Ready-Made Investment Pools, although with lower expected rates of return than Core Pool over the long term.</p> <p>It is designed to:</p> <ul style="list-style-type: none"> • be the most conservative of HESTA Pools • offer members a low-risk investment • seek greater returns than cash alone. 	<p>Asset allocation includes:</p> <ul style="list-style-type: none"> • more exposure to cash and debt markets than other Ready-Made Pools • approximately 25% of investments in shares. <p>Shares tend to have a low correlation, or relationship, with cash and debt and as one rises in value, the other may be expected to fall. Investing a proportion in shares helps reduce risk while enhancing the potential return over the longer term.</p>
Core Pool	<p>Medium-term (5 years) CPI + 3.0% Long-term (10 years) CPI + 4.0%</p> <p>Aims to optimise returns while only occasionally having a return less than zero.</p>	<p>Invests in a diversified but balanced mix of assets. Aims to provide a less volatile return than would otherwise be expected in an investment with its investment objective.</p>
Eco Pool	<p>Medium-term (5 years) CPI + 3.0% Long-term (10 years) CPI + 4.0%</p> <p>Aims to optimise long-term returns while investing in companies that demonstrate best practice sustainability performance within their industry sector, relative to their peers.</p> <p>Its high allocation to shares means there is likely to be significant year-to-year variation in returns. It may be more suitable for an investor with a higher tolerance to investment risk. Although we expect long-term returns similar to Core Pool, it may not outperform other pools, even in the long term.</p>	<p>Invests in companies with the best combination of financial, environmental, social and governance performance as assessed by our managers. Eco Pool aims to be fossil fuel free, while also excluding investment in companies with uranium mining operations and those that manufacture tobacco products. The Property investment is appropriately green rated. The Alternative Growth investments are in Cleantech.</p>
Shares Plus	<p>Medium-term (5 years) CPI + 4.0% Long-term (10 years) CPI + 4.5%</p> <p>Aims to provide higher long-term returns than Core Pool. Since there may be substantial year-to-year variation in returns, even in the longer term, it may not outperform other Pools. It has a diversified portfolio that includes assets other than shares.</p>	<p>Has a mixed asset allocation, with more exposure to the share market than Core Pool. However, its diversification means that it has a lower risk profile than an investment in shares alone.</p>

Your Choice Asset Classes

	Objective	Strategy [^]
Cash	To earn a return after appropriate taxes and after the Indirect Cost Ratio, equivalent to higher than the RBA Cash Rate. Is the most conservative of the Your Choice options. It aims to achieve its investment objective each year.	Primarily invested in short-term bank deposits, and may include a small allocation to other cash investments. Its investment earnings are primarily from income but may include some movement in values.
Global Bonds	<p>To earn a return after appropriate taxes and after the Indirect Cost Ratio above:</p> <ul style="list-style-type: none"> • 50% Bloomberg AusBond Composite 0+ Year Index • 50% Barclays Capital Global Aggregate Hedged to \$A. <p>Aims to achieve its investment objective over the long-term (10 years).</p> <p>Global Bonds:</p> <ul style="list-style-type: none"> • is less conservative than Your Choice – Cash • may produce a negative return, but • is more conservative than other Your Choice options. 	Is 100% invested in bonds and other debt products. The underlying investments are similar for this asset class in Core Pool, being a range of global debt products but excluding some unlisted debt that is considered higher risk. All currency exposures in international debt are fully hedged.
Property	<p>To earn a return after appropriate taxes and after the Indirect Cost Ratio equivalent to or higher than CPI + 3.5%.</p> <p>Aims to achieve its investment objective over the long-term (10 years). It is less conservative than cash or bonds, as it has a higher chance of producing a negative return. However, it is more conservative than the remaining Your Choice options.</p>	Is invested primarily in unlisted property products, and has a 10% holding in cash investments. Your Choice – Property investments are managed in a similar style to that used by Core Pool for this asset class.
Infrastructure	<p>To earn a return after appropriate taxes and after the Indirect Cost Ratio equivalent to or higher than CPI + 3.5%.</p> <p>Aims to achieve its investment objective over the long-term (10 years). It has holdings in unlisted infrastructure companies. Although these holdings are not considered speculative, they are likely to produce negative returns from time-to-time as their returns are expected to comprise of capital gains (or losses) and income. Returns should be less volatile than other equity investments as the earnings of these companies are expected to be relatively stable.</p>	Is invested primarily in unlisted infrastructure products with a 10% holding in cash products. It will have investments in both Australian and international infrastructure. The underlying investments are similar to those for this asset class in Core Pool.

For more information go to hesta.com.au/pds and read *Investment Choices*.

[^] Changes may be made to investment options at any time. The investment options available may also change. For updated information, visit hesta.com.au

Figures representing the long-term probability of negative returns have been determined by HESTA's investment consultant, Frontier Advisors Pty Ltd, based on capital market assumptions and actual outcomes may vary.

HESTA Super investment options (cont.)

at 30 June 2017, in detail

Your Choice Asset Classes (cont.)

	Objective	Strategy [^]
International Shares	<p>To earn a return after appropriate taxes and after the Indirect Cost Ratio above:</p> <ul style="list-style-type: none"> • 50% MSCI All Country World ex Australia Index in \$A Net Dividends Reinvested Unhedged • 50% MSCI All Country World ex Australia Index in \$A Net Dividends Reinvested Hedged. <p>Aims to achieve its investment objective over the long-term (10 years). It aims to produce a long-term return primarily from capital gains, however, it is very likely to produce negative returns from time-to-time.</p>	<p>The underlying investments in Your Choice</p> <ul style="list-style-type: none"> – International Shares are similar for this asset class in Core Pool. The currency exposures in international shares are managed under our active currency overlay program policy. It may include managers who also short sell shares.
Australian Shares	<p>To earn a return after appropriate taxes and after the Indirect Cost Ratio above S&P/ASX 300 Accumulation Index.</p> <p>Aims to achieve its investment objective over the long term (10 years). It aims to produce long-term returns primarily from capital gains, however, it is very likely to produce negative returns from time-to-time.</p>	<p>The underlying investments in Your Choice</p> <ul style="list-style-type: none"> – Australian Shares are similar for this asset class in Core Pool. Your Choice – Australian Shares investments are managed in a style similar to that used by Core Pool for this asset class. It can hold a small percentage of its assets in shares of companies not listed on the Australian Stock Exchange. It may include managers who also short sell shares.
Private Equity	<p>To earn a return after appropriate taxes and after the Indirect Cost Ratio 3% or more above:</p> <ul style="list-style-type: none"> • 13.5% S&P/ASX 300 Accumulation Index • 76.5% MSCI World ex-Australia in \$A Net Dividends Reinvested Hedged • 10% RBA Cash Rate. <p>Aims to achieve its investment objective over the long term (10 years). It targets high long-term returns, primarily from capital gains, however, it is very likely to produce negative returns from time to time.</p>	<p>Invests primarily in Australian and international private equity and also has a 10% holding in cash products. The underlying investments are similar to those for this asset class in Core Pool.</p>

[^] Changes may be made to investment options at any time. The investment options available may also change. For updated information, visit hesta.com.au

Figures representing the long-term probability of negative returns have been determined by HESTA's investment consultant, Frontier Advisors Pty Ltd, based on capital market assumptions and actual outcomes may vary.

HESTA strategic asset allocations

at 30 June 2017

	Ready-Made Investment Pools				Your Choice Asset Classes						
	Strategic Asset Allocation*				Strategic Asset Allocation*						
	Conservative Pool (%)	Core Pool (%)	Shares Plus (%)	Eco Pool (%)	Cash (%)	Global Bonds (%)	Property (%)	Infrastructure (%)	International Shares (%)	Australian Shares (%)	Private Equity (%)
Cash	22.0	2.0	2.0	8.0	100.0	0.0	10.0	10.0	0.0	0.0	10.0
Global Debt	34.2	15.0	0.0	16.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0
Property	9.5	11.5	8.0	8.0	0.0	0.0	90.0	0.0	0.0	0.0	0.0
Infrastructure	10.3	12.5	8.7	0.0	0.0	0.0	0.0	90.0	0.0	0.0	0.0
Alternative Growth	0.0	7.0	10.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	90.0
Australian Shares	13.7	29.0	39.7	35.2	0.0	0.0	0.0	0.0	0.0	100.0	0.0
International Shares	10.3	23.0	31.6	28.8	0.0	0.0	0.0	0.0	100.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Strategic asset allocations may change during the year within their bands without prior notice. Visit hesta.com.au/pds and read *Investment Choices* for more information.

HESTA investment managers

at 30 June 2017

Asset Class	Investment Manager	
Cash	Australia and New Zealand Banking Group Bendigo and Adelaide Bank Limited Bank Of Queensland Limited Commonwealth Bank of Australia IMB Ltd Industry Funds Management Pty Ltd JP Morgan Chase Bank, N.A. Members Equity Bank Pty Limited	National Australia Bank Limited Rabobank Australia Limited Rural Bank Limited State Street Global Advisors, Australia, Limited St George Bank – A Division of Westpac Banking Corporation Westpac Banking Corporation
Global Credit	Barings BlackRock Asset Management (Australia) Limited BT Investment Management (Institutional) Limited Challenger Management Services Limited	Industry Funds Management Pty Ltd Members Equity Bank Pty Limited ME Portfolio Management Limited PIMCO Australia Pty Limited Shenkman Capital Management, Inc. Westbourne Credit Management Limited
Property	AEW Capital Management, L.P. BT Investment Management Limited EG Funds Management Pty Ltd Eureka Funds Management Limited Fortius Funds Management Pty Limited Franklin Templeton Investments Australia Limited Heitman Capital Management, LLC	Investa Wholesale Funds Management Limited ISPT Pty Ltd IIPT Pty Ltd MSREF V International-GP, L.L.C. QIC Property Management Pty Ltd Scarborough Pacific Group Pty Limited Stride Property Limited
International Shares	Artisan Partners Limited Partnership Baillie Gifford Overseas Limited BlackRock Investment Management (Australia) Limited Citigroup Global Markets Australia Pty Limited Copper Rock Capital Partners LLC Generation Investment Management LLP Hexavest Inc Industry Funds Management Pty Ltd	Lazard Asset Management Pacific Co Martin Currie Investment Management Limited Robeco Hong Kong Limited Russell Investment Management Limited RWC Asset Management LLP Sanders Capital LLC Somerset Capital Management Stewart Investors
Australian Shares	Airlie Funds Management Limited Allan Gray Australia Pty Limited (formerly Orbis) BT Investment Management (Institutional) Limited Citigroup Global Markets Australia Pty Limited Cooper Investors Pty Limited Ellerston Capital Limited Greencape Capital Pty Ltd	Industry Funds Management Pty Ltd Invesco Australia Limited Maple-Brown Abbott Limited Northcape Capital Pty Ltd Perpetual Investment Management Limited Renaissance Smaller Companies Pty Ltd Schroders Investment Management Australia Limited Solaris Investment Management Limited Yarra Funds Management Limited

Asset Class	Investment Manager	
Infrastructure	Hastings Funds Management Limited Industry Funds Management Pty Ltd Kohlberg Kravis Roberts & Co. L.P.	Palisade Investment Partners Limited Stafford Timberland Limited
Private Equity	Adveq Management AG Allegro Funds Pty Ltd Brandon Capital Partners Pty Ltd Coller Investment Management Limited FSN Capital Partners AS FTV Management Company, L.P. Generation Investment Management LLP Grey Mountain Partners LLC Industry Funds Management Pty Ltd JMI Management Inc Leapfrog Investments Group Ltd Lexington Advisors Inc Littlejohn & Co., LLC Madison-India Management Advisors Private Limited Newbury Associates LLC	Oaktree Capital Management, L.P. Olympus Advisors LLC PAG Asia Capital Limited Performance Equity Management, LLC Platinum Equity Advisors LLC Providence Equity Partners LLC Rio Energy Management LLC Roark Capital Management LLC Stafford Fund Nominees Pty Ltd Stafford Private Equity Pty Ltd Stafford Private Equity Inc Siguler Guff Advisers, LLC Stone Point Capital LLC TDR Capital, LLP Vencap Limited
Opportunistic Growth	BlackRock Financial Management, Inc Bridgewater Associates, Inc Healthcare Royalty Management, LLC	Industry Funds Management Pty Ltd Kohlberg Kravis Roberts & Co. L.P. Oaktree Capital Management, L.P.
Currency Management	Lee Overlay Partners Limited ME Portfolio Management Limited	Pareto Investment Management Limited
Risk Management Strategies	QIC Limited	

The Trustee retains a discretion to change the HESTA investment managers used. Visit hesta.com.au for updated information.

Significant holdings with investment managers

The following investment managers manage more than 5% of the Fund's total assets:

- Industry Funds Management Pty Ltd (21.21%)



HESTA Income Stream investment performance

for year ended 30 June 2017

HESTA Income Stream investment options are designed for members who are either approaching or in retirement.

In addition to the 10 investment options we offer members, we also provide an innovative HESTA Income Stream Ready-Made Strategy (default). This strategy, which combines HESTA Income Stream Defensive and Balanced investment options, offers a simple solution to pre-retirees and retirees, gradually reducing their investment risk over time.

How returns are applied to HESTA Income Stream accounts

Each week a unit price for each investment option is calculated which reflects the net movement in value of the underlying assets. The movement may be positive or negative. This unit price is applied to the number of units held by each member to calculate an account balance.

Indirect costs (available at hesta.com.au/pds) and taxes are deducted from investment earnings before the unit price is declared.

The latest and historical returns are available at hesta.com.au/isperformance

HESTA Income Stream investment performance

as at 30 June 2017

Investment Option	Since Inception (% p.a.)**	5 Years (% p.a.)**	3 Years (% p.a.)**	1 Year (% p.a.)**
Balanced (since 12/12/2007)*	4.59	11.08	8.09	11.23
Defensive (since 12/12/2007)*	5.21	6.06	5.14	5.45
Conservative (12/12/2007)*	5.51	7.90	6.26	7.21
Eco (1/7/2012)*	15.25	15.25	12.74	15.90
Active (12/12/2007)*	4.29	13.76	9.23	15.42
Cash (1/7/2008)*	3.67	2.84	2.46	2.10
Term Deposits (1/7/2012)*	3.36	3.36	2.81	2.51
Property (12/12/2007)*	1.11	9.86	10.92	11.32
International Shares (1/7/2008)*	6.83	15.42	10.76	19.61
Australian Shares (1/7/2008)*	6.65	12.26	7.16	12.82

* Refers to date of inception for the investment option

**Annualised return for the period.

Investments may rise or fall. Past performance is not a reliable indicator of future performance.

Note: Performance figures for financial years prior to 2011/12 include figures for the Super Members Pooled Super Trust (SMPST) through which the HESTA Income Stream invested until 30 November 2010. The returns quoted are not a reflection of the actual return on your account. Your actual return will depend on when you commenced investing in the income stream. This is the performance applicable to members who were members at the beginning and the end of the period, and who did not have any transactions during the period. Past performance is not a reliable indicator of future performance and the value of investments can rise or fall. Returns are quoted net of indirect costs for the period indicated.

HESTA Income Stream investment options

at 30 June 2017, in detail

	Objective	Strategy [^]
Balanced	<p>Medium-term (5 years) CPI + 2.75% Long-term (10 years) CPI + 4.0%</p> <p>Balanced aims to produce a return of 4.0% above CPI over the long term. Returns may vary substantially from year-to-year and this option may occasionally produce a negative return.</p>	<p>Balanced invests in a diversified mix of asset classes, with 63.0% invested in growth style assets, including listed shares and the remainder invested in defensive style assets, like cash, defensive property and global debt. Infrastructure assets provide a mix of both growth and defensive characteristics. The inclusion of infrastructure should give Balanced a lower risk profile than if the growth assets were all listed shares.</p>
Defensive	<p>Medium-term (5 years) CPI + 1.0% Long-term (10 years) CPI + 2.0%</p> <p>Defensive aims to produce a return of 2.0% above CPI over the long term. Negative returns can occur, but generally occur very infrequently.</p>	<p>Defensive invests in a diversified mix of asset classes, with 18.0% invested in growth style assets, like listed shares and 82.0% invested in defensive style assets, like cash, term deposits, defensive property and global debt. Infrastructure assets provide a mix of both growth and defensive characteristics. The diversification and defensive asset bias of this option means that it has a lower risk profile than Conservative, while its exposure to some growth assets should provide a small amount of protection against inflation.</p>
Conservative	<p>Medium-term (5 years) CPI + 1.5% Long-term (10 years) CPI + 2.5%</p> <p>Conservative aims to produce a return of 2.5% above CPI over the long term. There may be some year-to-year variation in returns, with negative returns occurring infrequently.</p>	<p>Conservative invests in a diversified mix of asset classes, with 33.0% invested in growth style assets like listed shares, and approximately 67.0% invested in defensive style assets including cash, term deposits, defensive property and global debt. Infrastructure assets provide a mix of both growth and defensive characteristics. The diversification and defensive asset bias of this option means that it has a lower risk profile than either the Balanced or Active options, while its exposure to some growth assets should provide some protection against inflation.</p>
Eco	<p>Medium-term (5 years) CPI + 3.0% Long-term (10 years) CPI + 4.0%</p> <p>Eco aims to optimise long-term returns while investing in companies that demonstrate best practice sustainability performance within their industry sector, relative to their peers. This option may produce negative returns quite frequently due to its high allocation of listed shares.</p>	<p>Eco invests in companies with the best combination of financial, environmental, social and governance performance as assessed by our managers. Eco aims to be fossil fuel free, while also excluding investment in companies with uranium mining operations and those involved with tobacco products. The Property investment is appropriately green rated. The Alternative Growth investments are in Cleantech.</p>

[^] Changes may be made to investment options at any time. The investment options available may also change. For updated information, visit hesta.com.au/ispds

Figures representing the long-term probability of negative returns have been determined by HESTA Income Stream's investment consultant, Frontier Advisors Pty Ltd, based on capital market assumptions and actual outcomes may vary.

HESTA Income Stream investment options (cont.)

at 30 June 2017, in detail

	Objective	Strategy [^]
Active	<p>Medium-term (5 years) CPI + 4.0% Long-term (10 years) CPI + 4.5%</p> <p>Active aims to produce a return of 4.5% above CPI over the long term. This option may vary substantially year-to-year and produce a negative return quite frequently.</p>	<p>Active offers a diversified asset portfolio, investing predominantly in growth style assets like listed shares, while maintaining a balance of defensive assets like defensive property and cash. In addition, infrastructure assets are included, which provide a mix of both growth and defensive characteristics. The diversification of asset classes means this option has a lower risk profile than an investment in shares alone.</p>
Cash	<p>To earn a return before tax and after the Indirect Cost Ratio equivalent to or higher than the Reserve Bank of Australia (RBA) Cash Rate.</p> <p>Cash aims to produce an annual return equivalent to or higher than the RBA Cash Rate. It is the most conservative of the HESTA Income Stream investment options.</p>	<p>Cash is primarily invested in at-call bank deposits, along with an allocation to short-term (less than 12 months) term deposits with highly rated banks. It may include a small allocation to other cash investments.</p>
Term Deposits	<p>To earn a return before tax and after the Indirect Cost Ratio equivalent to or higher than the Bloomberg AusBond Bank Bill Index.</p> <p>Term Deposits aims to produce a return equivalent or higher than the Bloomberg Ausbond Bank Bill Index, a benchmark tracking the performance of bank bills of equal face value, each with a maturity seven days apart. Term Deposits are more conservative than most other HESTA Income Stream investment options, with the exception of Cash</p>	<p>Term Deposits has 90.0% invested in Australian bank term deposits and 10.0% invested in cash. It is likely to invest in term deposits with terms of greater than one year (unlike the Cash investment option). The Trustee will seek to invest in a diversified range of term deposits to enable flexibility to achieve the highest rates possible while managing reinvestment risk.</p>
Property	<p>To earn a return before tax and after the indirect cost ratio equivalent to or higher than CPI + 4.0%.</p> <p>Property aims to produce a long-term return of 4.0% above CPI. It is less conservative than Cash or Term Deposits because it has a higher possibility of producing a negative return from time to time.</p>	<p>Property is invested primarily in unlisted property and property debt with a 15.0% holding in cash products. The primary characteristic of the unlisted property will be that rental income is expected to generate the majority of the returns, not capital growth.</p>

	Objective	Strategy [^]
Australian Shares	<p>To earn a return, after adjusting for tax credits and after the Indirect Cost Ratio, which is higher than the return from the combination of:</p> <ul style="list-style-type: none"> · 95% S&P/ASX 300 Accumulation Index · 5.0% RBA Cash Rate <p>Australian Shares aims for a long-term return of above the Standard and Poor's (S&P)/Australian Securities Exchange (ASX) 300 Accumulation Index. This benchmark includes up to 300 of Australia's largest securities by float-adjusted market capitalisation. The index has large-cap, mid-cap and small-cap shares and covers more than 80% of Australian equities market capitalisation. Australian Shares aims to produce long-term returns primarily from capital gains, but carries the risk of negative returns quite frequently.</p>	<p>Australian Shares option is invested primarily in listed Australian shares. It will have a strategic overweighting to smaller companies, compared to its benchmark. It may at times hold a small percentage of its assets in shares of companies not listed on the Australian Stock Exchange. It may include managers who also short sell shares.</p>
International Shares	<p>To earn a return, before tax and after the Indirect Cost Ratio, which is higher than the return from the combination of:</p> <ul style="list-style-type: none"> · 47.5% MSCI All Countries World ex Aust Index in \$A Net Dividends Reinvested Unhedged · 47.5% MSCI All Countries World ex Aust Index in \$A Net Dividends Reinvested Hedged · 5.0% RBA Cash Rate. <p>This investment objective reflects the strategic asset allocation of International Shares and strategic currency overlay program policy, outlining the management of currency exposure for international share investments. The Morgan Stanley Capital International (MSCI) All Countries World Index (excluding Australia) tracks large and mid-cap shares from developed and emerging market countries. International Shares aims to produce a long-term return primarily from capital gains but carries the risk of producing negative returns quite frequently.</p>	<p>International Shares is invested primarily in listed international shares. It will have a strategic overweighting to emerging market companies. The currency exposures in International Shares are managed under our active currency overlay program policy. It may include managers who also short sell shares.</p>

[^] Changes may be made to investment options at any time. The investment options available may also change. For updated information, visit hesta.com.au/ispds

Figures representing the long-term probability of negative returns have been determined by HESTA Income Stream's investment consultant, Frontier Advisors Pty Ltd, based on capital market assumptions and actual outcomes may vary.

HESTA Income Stream strategic asset allocations

at 30 June 2017

	Strategic Asset Allocation									
	Balanced (%)	Defensive (%)	Conservative (%)	Eco (%)	Active (%)	Cash (%)	Term Deposits (%)	Property (%)	International Shares (%)	Australian Shares (%)
Australian Shares	27.0	6.0	13.5	32.0	43.5	0.0	0.0	0.0	0.0	95.0
International Shares	27.0	6.0	13.5	32.0	43.5	0.0	0.0	0.0	95.0	0.0
Alternative Growth	0.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0
Property	9.0	6.0	6.0	8.0	4.0	0.0	0.0	85.0	0.0	0.0
Infrastructure	9.0	6.0	6.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0
Global Debt	20.0	31.0	44.0	16.0	0.0	0.0	90.0	0.0	0.0	0.0
Cash	8.0	45.0	17.0	8.0	5.0	100.0	10.0	15.0	5.0	5.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The strategic asset allocations may change during the year within their bands without prior notice.

Current allocations, bands and any variations are available at hesta.com.au/ispds

HESTA Income Stream investment managers

at 30 June 2017

Asset Class	Investment Manager	
Cash	AMP Bank Limited Bendigo and Adelaide Bank Limited Bank Of Queensland Limited Commonwealth Bank of Australia IMB Ltd Industry Funds Management Pty Ltd JP Morgan Chase Bank, N.A. Members Equity Bank Pty Limited	National Australia Bank Limited Rabobank Australia Limited Rural Bank Limited State Street Global Advisors, Australia, Limited St George Bank – A Division of Westpac Banking Corporation Westpac Banking Corporation
Term Deposits	AMP Bank Limited Australia and New Zealand Banking Group Bank Of Queensland Limited Bendigo and Adelaide Bank Limited Commonwealth Bank of Australia IMB Ltd	Members Equity Bank Pty Limited National Australia Bank Limited Rabobank Australia Limited St George Bank – A Division of Westpac Banking Corporation
Global Credit	Barings BlackRock Asset Management (Australia) Limited BT Investment Management (Institutional) Limited Challenger Management Services Limited	Industry Funds Management Pty Ltd PIMCO Australia Pty Limited Shenkman Capital Management, Inc. Westbourne Credit Management Limited
Property	Investa Wholesale Funds Management Limited	ISPT Pty Ltd
International Shares	Artisan Partners Limited Partnership Baillie Gifford Overseas Limited BlackRock Investment Management (Australia) Limited Citigroup Global Markets Australia Pty Limited Copper Rock Capital Partners LLC Generation Investment Management LLP Hexavest Inc Industry Funds Management Pty Ltd	Lazard Asset Management Pacific Co Martin Currie Investment Management Limited Robeco Hong Kong Limited Russell Investment Management Limited RWC Asset Management LLP Sanders Capital LLC Somerset Capital Management Stewart Investors
Australian Shares	BT Investment Management (Institutional) Limited Citigroup Global Markets Australia Pty Limited Cooper Investors Pty Limited Ellerstons Capital Limited Industry Funds Management Pty Ltd	Invesco Australia Limited Maple-Brown Abbott Limited Northcape Capital Pty Ltd Plato Investment Management Renaissance Smaller Companies Pty Ltd Yarra Funds Management Limited
Infrastructure	Industry Funds Management Pty Ltd	
Private equity	Generation Investment Management LLP Stafford Fund Nominees Pty Ltd	Stafford Private Equity Pty Ltd Stafford Private Equity Inc
Opportunistic growth	Kohlberg Kravis Roberts & Co. L.P.	
Currency management	Lee Overlay Partners Limited ME Portfolio Management Limited	Pareto Investment Management Limited

investment policies

Derivatives policy

A derivative is a financial instrument whose value depends on, or is derived from, the value of some other underlying asset or index. Derivatives are generally focused on equity, currency, interest rate, credit and commodity markets, and include various instruments such as futures, options, forward rate agreements, swaps and warrants.

Derivatives have a role in the Fund's overall investment strategy, and are generally used to improve the risk-adjusted returns of the Fund by providing an efficient way to add or remove market risk. The use of derivatives is common practice in investments, as they assist in managing liquidity, transitions, cost, and risk as well as, in some instances, to generate return.

Our derivative usage is governed by the HESTA policy on the use of derivatives, which outlines the monitoring and controls in place to ensure all risks are appropriately managed.

Our managers are permitted to use derivatives to achieve their investment objectives, particularly to control risk and maintain desired exposures, within the constraints of their investment mandates.

HESTA also uses derivatives directly to hedge positions (e.g. currency) or to efficiently maintain asset allocation targets (e.g. equity futures). Where held directly, derivatives are not used speculatively, to gear the portfolio, or to create net short positions.

we're here for health and community services

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we're here for health and community services

HESTA is dedicated to people who work in health and community services. We exist to look after our members' money and to empower them for wellbeing in retirement.

But we don't stop there. We acknowledge them for the extraordinary work they do and help them to keep doing it. We celebrate their stories. We strive to deliver a great customer experience for our members and partners. And, we invest members' super in their sector – so we're making a positive social impact while achieving good returns for them.

HESTA Awards Program

One way we can show our profound respect for people working in Australia's world-leading health and community services is to shine a spotlight on their amazing work.

For more than 11 years our awards program has recognised and directly supported unsung heroes working in nursing and midwifery, aged care, community services, early childhood education and care, and primary health.



HESTA Aged Care Awards August 2016

Team Innovation Award winner:

Sub-Acute Care Program,
PresCare – Alexandra Gardens,
North Rockhampton, QLD

The program was recognised for dramatically improving management of clinical deterioration in residents, avoiding unnecessary hospitalisation while maintaining high standards of quality care.

Outstanding Organisation Award winner:

Southern Cross Care (SA & NT)
Inc, Parkside, SA

Southern Cross Care launched Health & Wellness Centres (gyms) in 13 residential care homes, aimed at improving residents' strength, fitness and general wellbeing. The Centres were part of an organisation-wide focus on promoting residents' quality of life through person-centred healthy ageing interventions.

Individual Distinction Award winner:

Camille Koch, Macedon Ranges
Health, Gisborne, VIC

Camille was recognised for improving wound management by establishing a multi-disciplinary Wounds Resource Team – leading to enhanced practice, a reduction in the severity of wounds and better documentation.



HESTA Early Childhood Education & Care Awards October 2016

Excellence in Building Inclusion Award winner:

The Infants' Home, Ashfield, NSW

The home was awarded for their holistic and innovative strategies to embed inclusion across their entire organisation, from increasing support for families with additional needs and expanding allied health services to building new indoor and outdoor learning spaces.

Advancing Pedagogy and Practice Award winner:

Bundjil Nest Project Team, Balnarring Pre-school, Balnarring, VIC

The team's Bundjil Nest Project set out to embed the beliefs and values of First Peoples into the service's practice and learning. The project was developed in close consultation with Boon Wurrung Elders and the local community to share stories, songs and dance with children, their families and teachers.

Outstanding Young Graduate Award winner:

Rachael Sydir, Explore & Develop – Penrith and Penrith South, Penrith, NSW

Rachael was awarded for strengthening children's understanding of Aboriginal culture and practices by creating and applying a Reconciliation Action Plan to Explore & Develop's curriculum.



HESTA Community Sector Awards November 2016

Unsung Hero Award winner:

Anne Mitchell, Concern Australia, Melbourne, VIC

Anne was recognised for leading the Steps Outreach Service, a Concern Australia program that provides practical support and advocacy to young people experiencing homelessness.

Outstanding Organisation Award winner:

Arts Project Australia, Northcote, VIC

The project was celebrated for creating pathways for artists with an intellectual disability to work professionally in visual arts by finding their own voice, style and expression in a supportive environment and showing their work alongside the broader arts community.

Social Impact Award winner:

Women with Disabilities Victoria (WDV), Melbourne, VIC

WDV was recognised for contributing to government policies aimed at achieving greater social justice for women with disabilities in Victoria, changing the derogatory attitudes that can result in high rates of family violence and social and economic exclusion.



HESTA Australian Nursing & Midwifery Awards May 2017

Nurse of the Year winner:

Sarah Brown, Western Desert Dialysis, Alice Springs, NT

Sarah Brown from Western Desert Dialysis was recognised for bringing holistic, culturally appropriate social support, allied health and dialysis to Aboriginal people in remote areas.

Team Excellence Award winner:

The Mater (Sydney)
Pre-admission Midwife Appointment Program,
The Mater Hospital,
North Sydney, NSW

The Mater team was awarded for a unique program offering expectant mums a free third trimester appointment with a midwife specially trained to detect and manage the earliest signs of perinatal anxiety and depression.

Outstanding Graduate Award winner:

Rebecca Rich, Perth Clinic, West Perth, WA

Rebecca was recognised for her commitment to offering inclusive, patient-centred care in mental health nursing at the Perth Clinic.

Find out more at
hestaawards.com.au

your stories, our inspiration

Our members do amazing things every day by helping people who need it most. That's worth celebrating. And we do – by showcasing our awards winners' stories across our national advertising campaigns.



Angie Monk

Ramsay Health Care –
Joondalup Health Campus

Blood Management Consultant and Afterhours Clinical Nurse Consultant Angie Monk now has a third title to be known by: Nurse of the Year in the 2016 HESTA Nursing Awards.

Angie was recognised for her advocacy and leadership in developing an innovative Patient Blood Management Program that improved outcomes and recovery for patients undergoing surgery involving significant blood loss.

A true pioneer in her field, she has developed a range of ground-breaking initiatives to ensure that patients are also better prepared for major surgery involving potential large blood loss.

"I provide education for patients on the need for them to optimise their iron levels before surgery, and ensure treatment is given in a timely manner – well before surgery," Angie says.

"Angie's win had a very positive influence on morale at Joondalup Health Campus," says Director of Clinical Services Ben Irish. "It's been absolutely inspiring and has created a huge sense of pride here."



Anne Mitchell

Concern Australia

Program Manager of Concern Australia's Steps Outreach Service Anne Mitchell spends her days tirelessly helping young Melburnians who don't have a home.

Leading a team of employees and volunteers who offer practical support to help their clients move forward to a more stable situation, Anne offers comfort and hope to young people living on the streets. Her clients are usually victims of violence or abuse and are often living with mental health issues.

"One small change can have a massive ripple effect for people," Anne says.

Anne was named the Unsung Hero winner at the 2016 HESTA Community Sector Awards.



Rachael Sydir

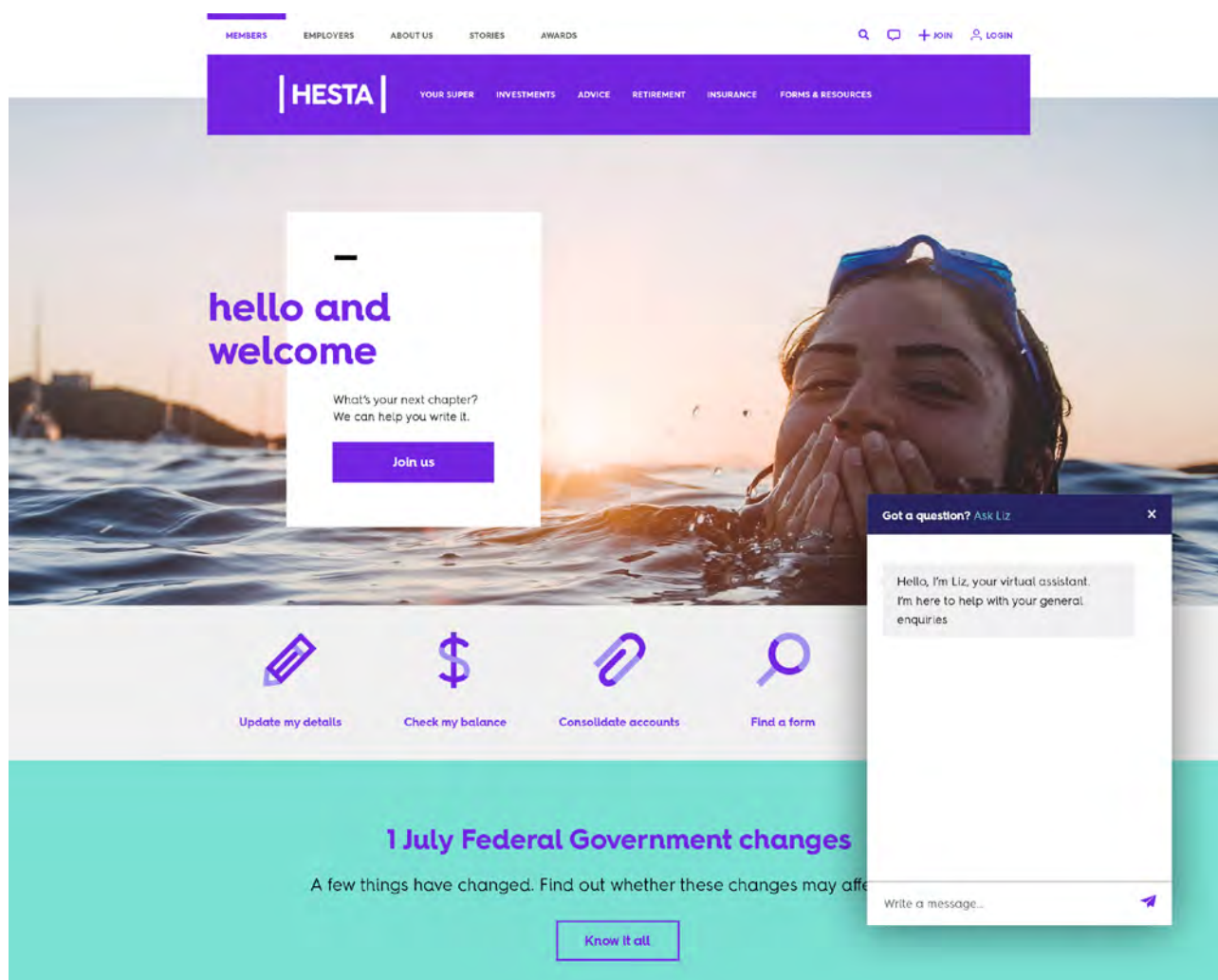
Explore & Develop -
Penrith and Penrith South

Rachael is strengthening children's understanding of Aboriginal and Torres Strait Islander histories and culture by weaving them throughout her early childhood service Explore & Develop's curriculum. By developing the service's first Reconciliation Action Plan (RAP), Rachael has equipped her colleagues in 24 centres across New South Wales with the knowledge and confidence to apply it to their teaching.

"Introducing the RAP has resulted in significant changes to the curriculum and professional development by our teams, as we wanted to move beyond tokenism and develop an approach that provided deeper meaning and learning," Rachael says.

Rachael won the Outstanding Graduate award at the 2016 HESTA Early Childhood Education & Care Awards.

better connection



As HESTA turns 30, it's the right time to stop and reflect on what we stand for and how we can best position ourselves to serve our members into the future.

This year's program of innovation was designed to ensure we stay relevant, effective and responsible in supporting our members' financial wellbeing.

In December we launched our new branding as part of an overarching strategy to review and improve the way we communicate with our members, stakeholders and the general public.

The result is a consistent, member-focused brand identity that brings to life our role as a gutsy advocate for members, for the health and community services sector, and for women across Australia.

Throughout the first half of 2017 we launched a series of digital innovations. These included a full website redesign to offer members interactions tailored to their needs; migrating our digital platforms to the Adobe Marketing Cloud to create a seamless and integrated solution for customers and employees; launching a new online join option for members opening a pension account; and launching a virtual assistant 'chatbot' to answer members' most common questions, empowering them to self-serve.

better together

We partner with over 70,000 employers and deliver a range of workplace education and advice sessions across Australia.

We provide these services to HESTA members and employers at no additional cost, and play a vital role in supporting members with investment and retirement decisions.



Workplace visits

1,803
visits

48,444
attendances



Education sessions and general advice

1,685
sessions

17,584
attendances



Total member facing visits

3,488
Total visits

66,028
Total attendance

Financial advice

In 2017, in addition to the online advice tools launched last year, we introduced phone-based advice. This is a convenient new alternative for members to access advice on the best way to contribute more to their accounts, choose the best investment options based on their goals and investment risks, and choose the most suitable level of insurance.

5,234

Contacts with Associate Superannuation Advisers

2,739

Advice appointments

4,063

Seminars (general)

HESTA has long recognised the importance of ensuring members are protected throughout their working lives with affordable, great value insurance cover. We partner with leading providers to offer every member automatic cover for income protection and death on joining HESTA.

investing in the sector

Impact investments give major investors like HESTA – and our members – an opportunity to contribute directly to better outcomes for those in greatest need while earning returns. Health and community services is one of Australia's biggest and fastest growing sectors, so it makes sense that we look to it for good investment opportunities.

We make these investments through our \$30 million Social Impact Investment Trust, Australia's largest social impact investment fund, managed by Social Ventures Australia.

Here are some of our activities over the last financial year.



Newpin Queensland Social Benefit Bond

Through the Trust we have worked with the Queensland Government and UnitingCare Queensland to create the state's first social benefit bond, the Newpin Queensland Social Benefit Bond.

Social benefit bonds raise capital to fund programs that benefit the community. The bonds can also provide a stable source of funding to help deliver services and create jobs in the community sector.

Investment in the bonds will fund the Newpin Program, which aims to safely reunite children in out-of-home care with their families through therapeutic centre-based support.



Glenview Korongee Dementia Village

We have also invested \$19 million to finance Korongee, a cutting edge Australia-first village designed to maintain a sense of self, home and community for people living with dementia.

The village in Glenorchy, Tasmania will set 15 homes within a small town complete with streets, a supermarket, cinema, café, beauty salon and gardens. Residents can wander freely and safely with support from health professionals acting as 'home makers'.

Korongee is a partnership between HESTA, not-for-profit aged care provider Glenview, our Social Impact Investment Trust and the Commonwealth Government. It's our single biggest impact investment to date.



Aspire Social Impact Bond

We made a further investment in the Aspire Social Impact Bond, in partnership with the South Australian Government and other institutional investors.

The \$9 million raised will fund the Aspire Program, which aims to build the independence and resilience of people experiencing homelessness in Adelaide. Up to 600 people will each be supported for three years with accommodation, case management, pathways to employment and life skills development.

Find out more at hesta.com.au/responsible

we're making a difference

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we're making a difference: HESTA Impact

Super is a long-term commitment. And at HESTA, we understand that the decisions we make today can drive meaningful change for generations to come.

By investing intelligently and thoughtfully as a large, long-term investor, we can have an impact on sustainability, the environment and even human rights, in Australia and around the world. All these factors can affect both the long-term returns for HESTA members and the world they will eventually retire into.

HESTA has a unique role to play as a national organisation, a leading super provider and as a fund dedicated to the health and community services sector. This gives us the opportunity to build strong community partnerships based on respect and equity. Through our Reconciliation Action Plan and Financial Inclusion Action Plan, we're contributing to a fairer, more inclusive society for all.

And, we put our principles into practice by living our values throughout our organisation.

This is HESTA Impact.

Responsible investing

We're committed to incorporating principles of responsible investing into all of our investment processes and decision making.

At the highest level, our principles and commitments are outlined in our Responsible Investment, Active Ownership and Climate Change Policies. Our Board is tasked with approving responsible investment-related policies and overseeing their implementation. Each quarter, the Board monitors risks and annually reviews implementation, performance and progress in relation to responsible investment-related policies.

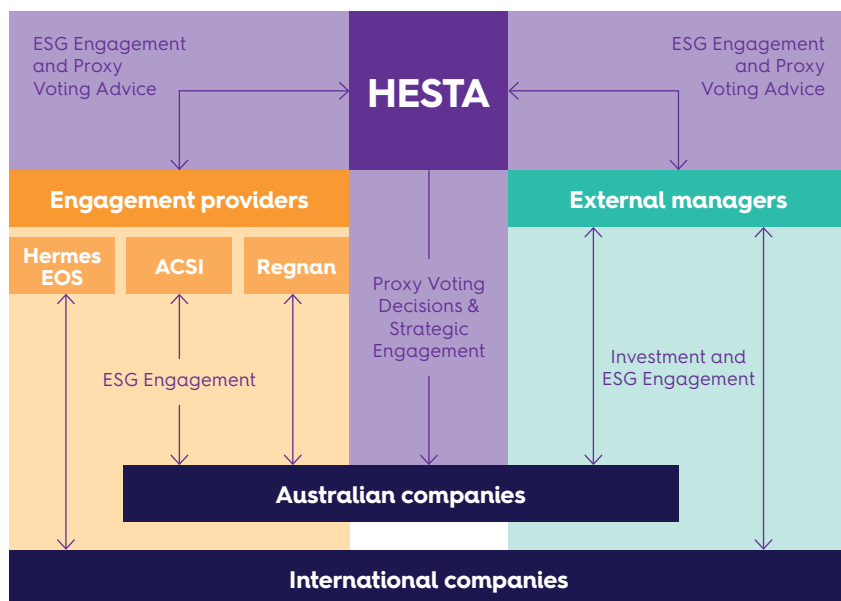
Our investment team implements these policies and works with our external investment managers and other service providers to ensure responsible investment factors protect and enhance our investments over the long term.

HESTA uses a 'triple layer' approach to active ownership

The three layers of active ownership include our specialist engagement providers, our external managers, and our own direct engagement.

The HESTA internal responsible investment team conducts a set number of direct engagements. We also provide strategic guidance and monitor the active ownership activities carried out by specialist engagement providers and external managers

While HESTA has final decision making power on all proxy voting decisions, we consider their input before making decisions.



ESG = environmental, social and governance

We also collaborate with other investors, where it furthers our responsible investment program.

Principles for Responsible Investment (PRI)

HESTA is a signatory of, and an active participant in, the United Nations-backed PRI. Our responsible investment policy uses the PRI as a guiding framework for our investment processes and decision making.

The PRI provides a common language understood by all participants in the investment industry – super funds, fund managers, asset consultants, governments, and non-government organisations (NGOs).

We're committed to the PRI's six principles of responsible investment, available at unpri.org

Along with all other signatories, we complete the PRI Reporting and Assessment Framework each year. You can see the results at: hesta.com.au/commitment

examples of our responsible investing in action

1. Climate change

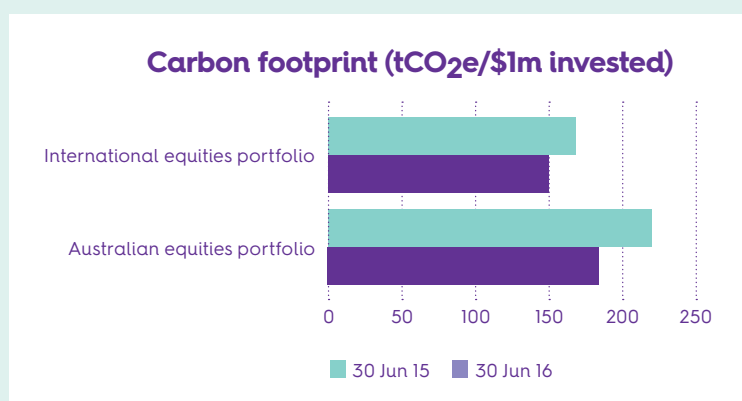
Climate change is a major global challenge and has the potential to impact the retirement outcome of our members both in terms of their returns and the environment into which they retire. The risks stem from the physical impacts of weather related events ('physical risk') and from the changes in government policy or market demand in support of the transition to a low carbon future ('carbon risks').

Climate change also presents significant investment opportunities and we are constantly seeking ways to take advantage of these opportunities to address climate change while providing better long term returns.

Understanding the risks and opportunities

We undertake a range of activities to better understand the climate change risks and opportunities we face as a fund, to grow our investment in the opportunities and take action to manage and reduce the risks.

To help us better understand climate change risks and opportunities related to carbon, for the last two years we have calculated and analysed the carbon footprint of our investments in listed companies in Australia and internationally. Across both portfolios our carbon footprint has declined, largely as a result of companies in which we are invested reducing their carbon emissions. We expect to see this trend continue in future.

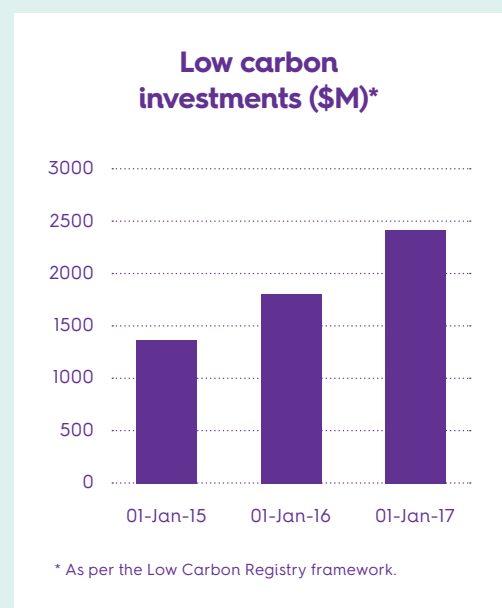


This year, for the first time we also calculated the carbon footprint of our investments in Australian office and retail property. It is 0.08 tons of CO₂ emissions per AUD million invested (tCO₂e/\$1m). While the carbon footprint associated with our property investments is small compared to that of our listed equities portfolio, we nevertheless expect it to also decline in future.

Investing in opportunities: the transition to a low carbon economy

The transition to a low carbon future will require significant investment of capital over the coming years. This creates opportunities to generate better investment returns for our members.

We are investing in low carbon solutions such as renewable energy, green buildings, timber and private companies focused on accelerating the transition to a low carbon economy. As shown in the chart, our investment in these areas has grown significantly over the past years.



Investing in opportunities: taking advantage of clean energy

Shifting the economy away from its reliance on fossil fuel is creating opportunities to invest in renewable energy. We believe these opportunities will deliver strong investment returns over the long term. Over the last few years we have invested in the development and production of renewable energy platforms, including wind and solar development and operating businesses in Australia and globally.

As at 30 June 2017, HESTA has invested over \$200 million in funds and projects that will generate a total of 1530 MW of renewable energy per annum.

Reducing the risk of climate change

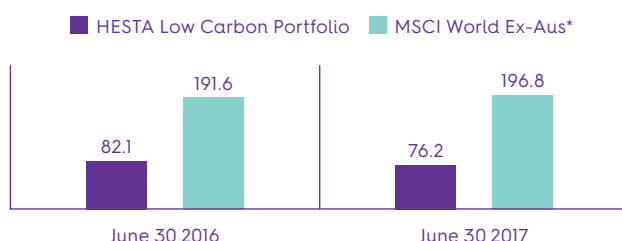
Nearly all companies face some risks from climate change either directly or indirectly, so we cannot avoid climate change risk entirely. However, we have a strategy to reduce the risks that includes several key elements.

Firstly, we ensure our exposure to climate change risks is minimised through our choice of fund managers who understand the importance of these risks and factor them into their investment decisions.

Secondly, we allocate capital to lower our exposure to climate change risks. For example, in listed equities we have worked with one of our fund managers to develop a portfolio that specifically invests in international listed companies with a lower carbon footprint than their peers. This year, the carbon footprint of HESTA's low carbon portfolio was 44% less than the benchmark, while delivering returns in line with the broader index.

$$\text{CO}_2 \text{ Footprint} = \frac{(\text{Scope 1 CO}_2\text{e emissions} + \text{Scope 2 CO}_2\text{e emissions})}{\text{Total Revenue}}$$

Carbon footprint reduction of HESTA's low carbon portfolio vs benchmark



Being an active owner: engaging on climate change risks and opportunities

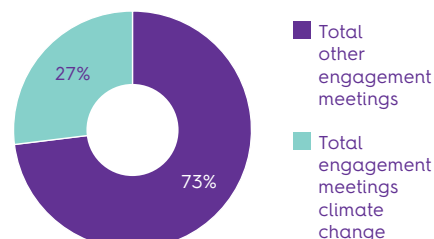
As an owner, we seek to reduce the climate change risks of companies in which we are invested. To achieve this we engage with companies with the most material climate change risks, either through our managers or via specialist engagement service providers. Through this engagement, which generally involves meeting with the company board, we ensure that the company understands and is adequately managing their climate risks. When relevant, we highlight how they can improve management, performance or disclosure of climate change risk.

* Russell Investments, MSCI

Chart: metrics on climate change engagement

This year our engagement providers held 464 meetings with companies on responsible investment issues. 27% of those included discussions on climate change risks and opportunities.

Percentage of engagement meetings where climate change was discussed



For investments in unlisted markets our fund managers undertake various actions to reduce climate change risks of the companies in which they are invested. The actions our managers can take depend on a range of factors including, most importantly, the level of ownership in the company. In infrastructure and property, where fund managers often have a large ownership stake, they generally work with each asset or property to develop and implement plans to manage and reduce climate change risks.

Active ownership case study: transitioning to electric vehicles

Transportation makes up nearly a quarter of energy-related emissions globally, of which passenger cars and trucks represent over half¹. In response, governments like the UK and France are introducing policies such as the phasing-out of petrol and diesel vehicles by 2040. As a long-term investor, HESTA wants to ensure that automotive companies we invest in are preparing their business models to deal with this policy risk and understand how they are positioning themselves for the transition to a low-carbon economy with alternatives such as electric vehicles. This year, Hermes EOS, our specialist engagement provider, has spent time engaging with companies such as Hyundai and BMW on their roadmaps to adapt to a lower carbon economy, including their intended offering of alternatives to fossil fuel powered cars and trucks.

1. International Energy Agency Data.

2. Gender diversity and equality

Women represent half of the world's population and, therefore, half its potential.

Unfortunately, women face many barriers entering, staying and progressing in the workforce. As investors, we see opportunities to enhance long-term returns for members by improving diversity in the companies we invest in. We believe that the level of diversity is an accurate indicator of well-run companies that deliver long-term value to shareholders. Extensive evidence demonstrates companies with a higher proportion of women in decision-making positions have better performance².

By supporting diversity, we also encourage more inclusive workplaces and greater opportunities for women that, over the long term, can improve the retirement savings of our members.

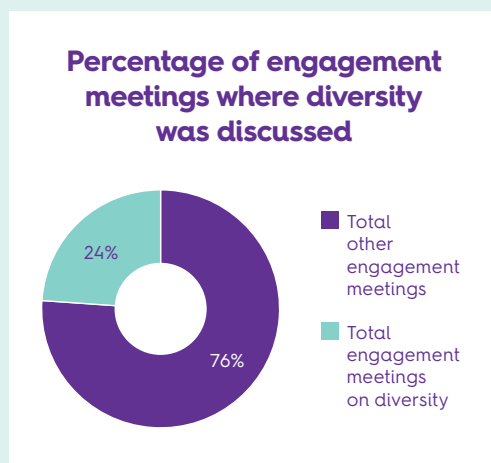
We aim to capture the investment opportunities diversity presents through our active ownership activities.

Being an active owner: improving diversity at the top

HESTA CEO Debby Blakey recently wrote to 172 of Australia's largest listed companies. Her message was clear: we expect women to make up at least 30% of directors on their boards and that these companies set clear targets and timeframes for the number of women in senior leadership.

Metrics on diversity engagement

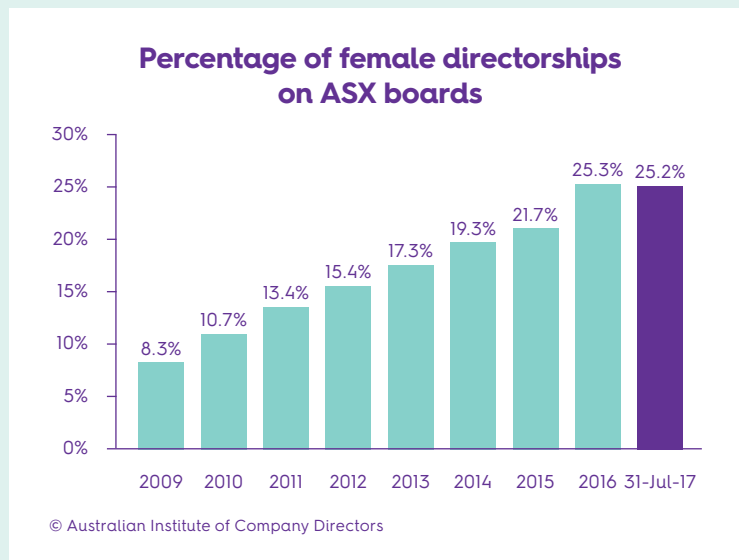
This year our engagement providers held 464 meetings with companies on responsible investment issues. 27% of those included discussions on diversity.



• Board

HESTA, together with ACSI and the Australian chapter of the 30% Club, is engaging with companies in the Australian ASX 200, encouraging them to achieve this 30% goal by 2018.

Progress to 30% female directors³:



HESTA has also committed to voting against directors on the boards of companies that have not made progress after continuous engagement, and still have all-male boards.

• Senior leadership

At the beginning of their careers women comprise half the workforce. Their numbers decrease as they progress up the corporate ladder. In Australia, only 13.3% of women occupy key management positions and only 2.5% are CEOs.⁴ Research shows a minority of companies have progressed towards eliminating biases and challenges women face at work, and have clear targets and strategies to achieve this goal.

HESTA aims to encourage companies to take full advantage of their existing employee talent. We ask them to outline how they will achieve a more inclusive and diverse work culture that can encourage women to stay in the workforce. We will continue engaging and monitoring companies' progress in improving diversity at senior leadership level.

Investing in opportunities case study: supporting women entrepreneurs

HESTA invests in Fincare, one of the largest microfinance institutions in India. The majority of the company's customers are women living in rural areas, where financial services are highly inaccessible. The company benefits around 840,000 small business owners that would otherwise find it difficult to access credit. Additionally, Fincare enables job creation in rural areas as it recruits field staff from local villages, allowing it to better understand its customers' needs and behaviour. The company employs about 2,400 people primarily in rural branches.

2. Since 2012 Credit Suisse has studied the role of diversity in the largest companies globally. Its results are reflected in the 2014 report 'The Credit Suisse Gender 3000: Women in Senior Management' and its 2016 report 'The Credit Suisse Gender 3000: the reward for change'.

3. AICD (Australian Institute of Company Directors)

4. As per data reported in the Workplace Gender Equality Agency data (WGEA) for 2016. <http://data.wgea.gov.au/industries/87>

3. Transparency and good governance

As responsible investors, HESTA encourages transparency and sound corporate governance in the companies we invest in. Greater transparency allows us to better understand responsible investment risks and opportunities in the portfolio. Good corporate governance practices ensure companies operate in alignment with our members' interests and our 'triple layer approach' provides us with tools to influence decision makers (such as through engagement and proxy voting).

Transparency

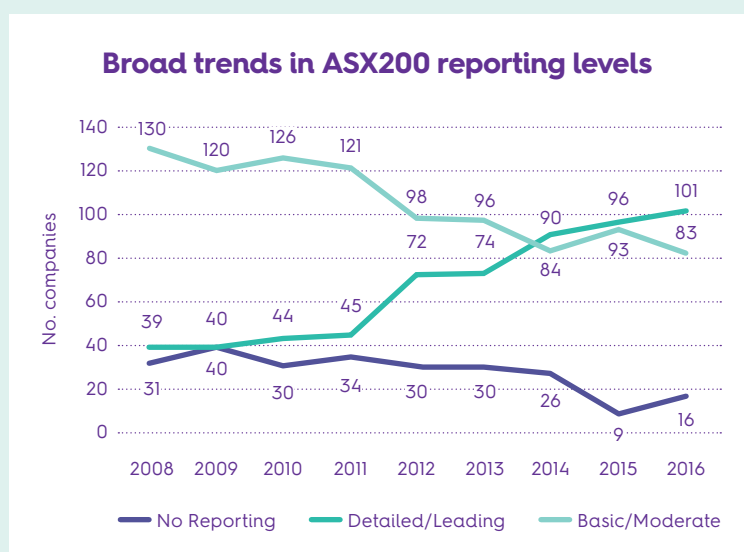
HESTA has been involved in a series of initiatives, both directly and through our engagement providers, that aim to improve corporate transparency. A few of them are:

- **Modern Slavery Act:**

HESTA signed the 'Investor statement in support of establishing a Modern Slavery Act in Australia'. We believe the Modern Slavery Act will improve transparency on Australian companies' operations and supply chain and how they are managing modern slavery risks. Better reporting can help us avoid potential financial impacts that are a result of reputational damage and operational risks. Our engagement partners have modern slavery as an engagement focus for companies identified as having the highest risk of exposure.

- **Sustainability reporting:**

ACSI, one of our specialist engagement providers, has assessed the quality of the sustainability reporting in ASX 200 companies for the last 10 years. Rating the sustainability disclosure of each company and benchmarking it against peers encourages companies to improve their disclosure. The table below⁵ illustrates the evolution of sustainability reporting in the largest Australian companies since 2008. We are pleased to see that the percentage of companies with 'Detailed/Leading reporting' has increased from 20% to over 50% in the last decade.



Good governance

We actively support good corporate governance in companies and other assets we own, and seek to achieve change where we think that governance is poor or less than ideal.

HESTA believes that the three main pillars of a strong corporate governance framework are:

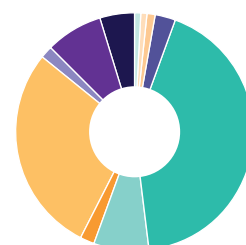
- boards which are independent and diverse
- executive remuneration which aligns with the interests of long-term shareholders like HESTA and our members
- corporate strategy, including takeovers and acquisitions, which considers responsible investment issues and creates long-term sustainable shareholder value.

Being an active owner: proxy voting

As part of our active ownership activities, HESTA seeks to vote in all the shares we own on behalf of members (although in some instances this isn't possible due to legal impediments). In addition to influencing important decisions, such as board composition, executive compensation and asset stewardship (including responsible investment issues), we see this as an opportunity to send an unequivocal message to companies regarding the importance of good governance.

Percentage of shares voted against management – Australia

Votes against management – Australian Shares (ASX300)⁶



- SHP: Environment = 0%
- SHP: Governance = 0%
- SHP: Social = 0%
- Audit/Financials = 2%
- Board Related = 45%
- Capital Management = 8%
- Changes to Company Statutes = 1%
- Compensation = 30%
- Merger & Acquisition = 1%
- Meeting Administration = 8%
- Other = 8%

SHP (Shareholder Proposal): refers to proposals put forward in the proxy ballot by shareholders or representatives of shareholders.

Board Related: refers to votes against members of the board due to a number of reasons including director performance, attendance, tenure or lack of diversity on the board.

5. ACSI, Corporate Sustainability Reporting in Australia. <https://www.acsi.org.au/images/stories/ACSI/Documents/generalresearchpublic/2017-Sustainability-Report-FINAL.pdf>

6. This year we voted on 338 meetings of our Australian shares.

Reconciliation: sharing the journey

Helping Australians achieve equal outcomes in financial health and opportunity is part of the HESTA fabric. So in 2015 we launched our first Reconciliation Action Plan (RAP) to guide us in growing our partnership with Aboriginal and Torres Strait Islander organisations nationally.

Here's a snapshot of our RAP actions during the past 12 months.

In the Northern Territory

- We supported the 2016 Alice Springs Community Super Day, offering practical super tips, insights and general advice.
- We took part in the Aboriginal Health Council's 2016 Aboriginal Community Controlled Health Sector Annual Conference and the Indigenous Business Networking and Development event, both in Darwin.

In Queensland

- In partnership with Catholic Health Australia and James Cook University, HESTA joined Apunipima Cape York Health Council to visit the remote communities of Napranum and Aurukun in far north Queensland, gaining a deeper understanding of opportunities to help them achieve better health outcomes.

Nationally

- We supported the 2016 Forum Scholarship at the National Indigenous Allied Health Conference and presented their Student Academic Achievement Award.
- In 2016, we ran super education sessions at the National Aboriginal and Torres Strait Islander Health Workers Association's Health Worker Forums in South Australia, New South Wales, Queensland and Victoria, and at their National Conference in Brisbane.
- We partner with the National Rural Health Alliance to promote good health and wellbeing in remote and regional locations.
- We sponsor First Nations Foundation's annual Big Super Day Out in NSW and Victoria, and provide super education and general advice to attendees.
- We regularly sponsor Indigenous Allied Health Australia's national conferences.
- We're active participants in the Australian Institute of Superannuation Trustees Indigenous Super Working Group, which aims to increase community access to and engagement with super.
- Through the HESTA Awards Program we recognise and support excellence across the health and community services sector. Recent award recipients include our Nurse of the Year 2017 Sarah Brown from the Western Desert Dialysis service Nganampa Walytja Palyantjaku Tjutaku (pictured at right with patient Patrick Tjungarryi).

Next steps

In 2017, we're continuing our reconciliation journey by developing an Innovate RAP. The Innovate model will help us find new ways to partner with Aboriginal and Torres Strait Islander communities through direct and measurable action.

Like to know more about how we're supporting Aboriginal and Torres Strait Islander communities? Visit hesta.com.au/stories





Financial Inclusion Action Plan

Close to three million people in Australia have difficulty paying bills, putting food on the table or accessing basic financial products like a bank account, credit card or insurance, making them and their families vulnerable to poverty and severe hardship. That's why in November 2016, we became one of 12 trailblazing organisations in Australia to tackle the difficult problem of financial exclusion for our members.

We worked with the Financial Inclusion Action Plan (FIAP) partnership group to build avenues for financial inclusiveness across society.

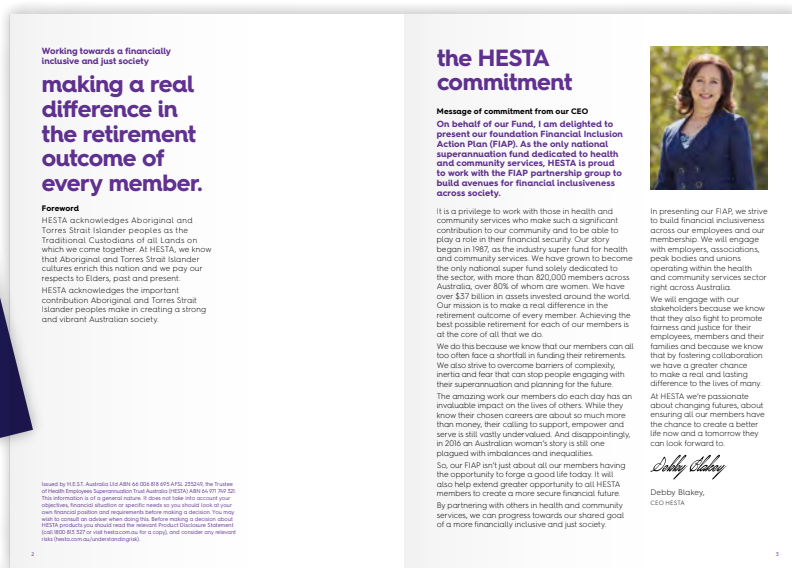
"Through the FIAP we have identified ways to improve our processes, services, and how we partner with organisations to ensure that every one of our members, in particular females, has a secure future."

Debby Blakey, HESTA CEO

Before launching the plan HESTA brought together experts and academics from a range of organisations including universities, charities and community groups for a round-table discussion on what financial institutions could do to combat financial exclusion. This was a chance for us to listen to the expertise of community sector organisations supporting those experiencing disadvantage.

The round-table and launching our first FIAP are some of the many steps HESTA will take in our journey to build greater financial resilience across our membership.

Read more at hesta.com.au/fiap



walking the talk

At HESTA, we lead by example. As well as acting responsibly on behalf of our members, we take pride in applying the same principles across our organisation.

Working for women

More than 80% of our members across the country are women, so it seems fitting that in 2016 HESTA was named a Workplace Gender Equality Agency Employer of Choice for Gender Equality, and our CEO Debby Blakey became a pay equity ambassador.

Fairness is one of our core values, so it was equally pleasing to have also been recognised as an Employer of Choice in The Australian Business Awards 2016. The category celebrates employers who create a great working environment through: education, training and development; health and safety; performance management; and recognition and remuneration, among other measures.

These awards highlight HESTA's enduring focus on creating a positive culture for all employees, in which pay equity ensures high performers are rewarded solely on merit. We know attracting and supporting the right people from across the spectrum of our diverse community is key to delivering great outcomes for members.

"Gender equality and closing the gender pay gap directly impact the financial interests of HESTA members," CEO Debby Blakey says.

"It's vital HESTA sets an example, and that's why we're proud to foster workplace diversity, respect and inclusion through a range of strategies across our organisation."



walking the talk (cont.)

HESTA understands that today's decisions and actions have a lasting effect. We are working hard to reduce our environmental impact today for a better tomorrow. We're working equally hard to continuously improve the wellbeing of members, employees, society, and the environment.

Our people

HESTA employees are committed and passionate. We are dedicated to maintaining a progressive, collaborative and supportive culture as a value-based workplace. At 30 June 2017 HESTA had almost 147 full-time equivalent employees, comprised of 130 full-time and 22 part-time employees.

Growing capability

Operating with a lean workforce means that HESTA employees need to be effective and efficient in performing their roles. HESTA is dedicated to growing employee capability through internal and external professional development opportunities.

Employee engagement and retention

HESTA has completed annual Employee Engagement and Alignment survey assessments for the past two years. Results for two consecutive years have placed HESTA in the top decile, compared to similar organisations within the financial services industry. In addition, HESTA has maintained a retention rate of about 96% for the past two years.

Employer of Choice

HESTA takes an innovative and leadership-focused approach to how employees are supported and developed during their employment. HESTA has been recognised as an employer with progressive and leading people practices during 2016/2017 with a number of awards:

- Employer of Choice
 - Australian Business Awards (Winner in 2016 & 2017)
- Employer of Choice for Gender Equality
 - Workplace Gender Equality Agency (2016)
- Finalist – Best Recruitment Campaign
 - Australian HR Awards (2016)
- Finalist – Best Recruitment and Selection Process
 - Australian Psychological Society (2016)
- Finalist – Best Workplace Diversity & Inclusion Strategy
 - HR Awards (2017)
- Finalist – Employer of Choice – HR Awards (2017)

Diversity and equal opportunity

HESTA is committed to diversity and inclusion for all employees. We provide a healthy, supportive workplace based on integrity, respect, and fairness. We strive for a positive and inclusive culture free from discrimination or bullying.

FY17 saw an increase in our total number of female employees and female board members. HESTA CEO Debby Blakey has signed the 'Pay Equity Pledge' and became a Pay Equity Ambassador with the Workplace Gender Equality Agency (WGEA). In 2016, HESTA was named as an Employer of Choice for Gender Equality.

Our culture

This year HESTA developed a two-year cultural road map. The road map supports and cultivates the elements of our culture that need to be preserved during this period of growth and change, and evolves the parts that need to change to support future success. It focuses on putting our customers first, working as a connected and collaborative team and striving for continual innovation to maintain leadership within the industry. With a focus on internal communications, volunteer programs and employee engagement, HESTA is committed to development and growth.

Health and wellbeing

HESTA understands that health, wellbeing, and work-life balance are important for all employees and recognises the link between a balanced personal life and workplace productivity. In addition, flexible working arrangements are available for all employees. These include flexible working hours, part-time work requests, the ability to work from home and the option to work remotely.

At HESTA we are pleased to offer our employees regular health and skin checks, mental health educational support programs and flu vaccinations to promote healthy living and health awareness amongst our employees.

Career and family

HESTA provides the same parental leave benefits to both fathers and mothers, including 12 months leave and 14 weeks paid leave. Superannuation is paid on both paid and unpaid parental leave, up to 12 months.

Coaching has been available for expecting parents, new parents and parents returning from parental leave since 2015. The HESTA Parental Support program was formally established in early 2017, connecting parents to support organisations and proactively supporting employees to find a balance that meets their personal and professional needs, through access to internal and external coaching, support and flexible working arrangements.

Sustainability

Our people are fundamental to our sustainability framework, allowing us to contribute to improved environmental sustainability and social responsibility. The below graphic illustrates our sustainability framework.



Environmental performance

The following is a summary of our operational environmental performance for FY17.

Carbon footprint

The HESTA carbon footprint for FY17 was 1,166 tonnes of CO₂, a 9.25% increase in absolute emissions, but 9.51% decrease in emissions per full-time equivalent (FTE) employees compared with FY16.

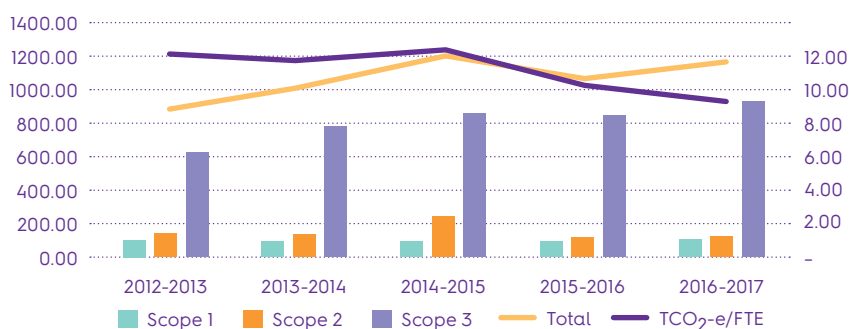
GHG emissions are categorised as:

Scope 1: Direct emissions from sources owned or controlled by HESTA, such as petrol used by the fleet cars.

Scope 2: Indirect emissions associated with electricity use, such as emissions from the burning of fossil fuels at power stations.

Scope 3: Other indirect emissions that are a consequence of our activities, but are not directly controlled by HESTA, such as base-building usage.

Carbon emissions profile



HESTA offsets the operational carbon footprint via the QANTAS Future Planet Program. Offsets purchased include savanna burning in the Northern Kimberley and tree planting. The North Kimberley area of Western Australia is prone to extreme wildfires. By implementing traditional methods to manage burns, the Indigenous landowners of the North Kimberley reduce emissions and provide employment opportunities.

Air travel

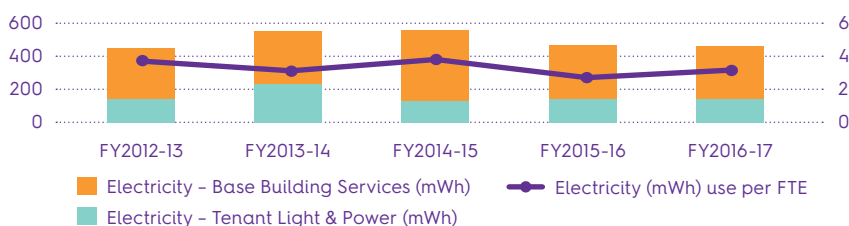
Air travel continues to be the largest generator of carbon emissions for HESTA, contributing 38.79% of the total carbon footprint. In FY17, there was 21.13% increase in air travel compared with FY16.

Electricity

Electricity consumption contributed 26.24 % of our total carbon emissions, down from 30% in FY16.

To demonstrate support for clean energy and reduce our environmental footprint, HESTA purchased 7.18 MWh of green power for the Victorian offices.

Electricity profile



Paper

In FY17 paper consumption increased by 45% per FTE employees, which we attributed to the HESTA rebranding project and increased employee numbers. We have undertaken initiatives to reduce the impacts from paper consumption including procuring a carbon neutral office paper stream and moving publications such as the members' magazine to an online format.

we advocate for change

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we advocate for change

Our mission is to make a real difference in the retirement outcome of every member. Of course, that includes doing our best to deliver strong, long-term returns for them. But there are many other structural biases and inequities that affect our members' ability to retire with dignity.

We use our influence to speak out on their behalf across a range of issues from fairer super for women and the lower paid to calling for industry-wide responsible investment commitments.

Here's how.

Demanding fairer super

It is alarming that in 2017 women still retire with on average half the super balance of men.[^]

A large percentage of our member base has or will take time out of the workforce to care for loved ones, will experience the gender pay gap, or earn less than \$450 per month. These are some of the key drivers underlying why women are more vulnerable to poverty, particularly when older.

In 2016 HESTA told a senate inquiry into the financial security of women in retirement about how we can make super fairer for women and the lower paid. This includes scrapping the \$450 threshold, which currently means an employer does not have to pay the compulsory Super Guarantee contributions to their employees earning less than \$450 per month.

Women working in health and community services can often have more than one casual or part-time role. Their salary from each employer can fall under the \$450 per month super threshold, totally excluding them from super. And we are seeing more casualised work patterns in our sector due to structural changes, as well as the broader rise of the 'gig' economy.

We continue to advocate strongly for the removal of the \$450 threshold, and partner with others in the super industry to achieve this change.

[^] Australian Bureau of Statistics (ABS); Retirement and Retirement Intentions, Australia, July 2012 to June 2013; abs.gov.au/ausstats/abs@.nsf/mf/6238.0



Taking action on family violence

In Australia each year, on average, at least one woman a week is killed by a partner or former partner.*

In response to this national tragedy HESTA is taking urgent action. We have approached the Federal Government to change super rules to allow family violence survivors, as a last resort, early access to up to \$10,000 of their super.

Finances are too often a barrier for women trying to leave a violent relationship. Unfortunately, financial support for victims and survivors of family violence is grossly inadequate.

We have also spoken with a range of specialist family violence support service providers and experts in financial counselling on how we might best achieve and implement this change.

“Accessing super should be an interim measure and another tool that we can use to stem this tragic loss of life.”

HESTA CEO Debby Blakey



Better super outcomes for de facto relationships

Currently, Western Australia is the only Australian state in which de facto couples cannot split their super if their relationship ends. This inconsistency is likely to overwhelmingly disadvantage women and same sex couples.

HESTA, along with community sector and legal groups, has called on the Western Australian Government to change the Family Law Act to allow de facto couples to split their super when their relationships end.

The latest census data shows that almost 20% of Western Australian couples live in de facto relationships.**

The purpose of superannuation splitting laws is to allow super to be equitably divided between both parties when a relationship breaks down.

“For many couples, super is likely to be their second biggest financial asset after their home, and accessing a fair property settlement shouldn’t be dependent on where you live in Australia.”

HESTA CEO Debby Blakey

* Australian Institute of Criminology, 2015

** www.abs.gov.au/census

“Unengaged members who have not made an active choice of fund need a robust safety net that ensures their best interests are protected.”

HESTA General Manager of Business Development and Policy, Mary Delahunty



Alternative default fund allocation

Last year, the Federal Government directed the Productivity Commission to launch an inquiry into the allocation of default super funds. The Commission was tasked with developing new competitive models for allocating default members to super funds. In March, it released its draft report and we took the opportunity to respond on a number of concerning issues.

HESTA appeared at the commission to detail our opposition to the models proposed and call for the existing legislated process to be enacted and assessed before launching into new solutions.

Many Australians don't make an active choice about their super fund and are happy for their contributions to be paid to the employer's default fund. That's why it's vital to have a strong process for determining an appropriate default fund.

We called on the commission to consider excluding retail funds from the provision of default fund services. There is an inherent conflict in seeking to act in the best interests of members, while also seeking to maximise profit from them for shareholders.

Investor statement on tobacco

We're committed to responsibly investing our members' super savings by being a careful long-term steward of their investments.

That's why we're proud to exclude companies that produce cigarettes and tobacco products from our own investment portfolios.

Tobacco use is a leading cause of disease and death globally, a fact many HESTA members confront daily in caring for our community. In addition to the millions of deaths from tobacco use, tobacco costs society billions of dollars every year.

As part of our stand against tobacco, we signed a world-first Investor Statement on Tobacco. The statement urged other investors to also exclude tobacco-related investments and supported the efforts of governments around the world to control tobacco.

Released to mark World No Tobacco Day on 31 May, the statement is supported by the United Nations-backed organisation Principles for Responsible Investment.

“By excluding tobacco and signing the investor statement we aim to make a positive impact on the world our members will retire into.”

HESTA CEO Debby Blakey



HESTA in the community

We understand we can also use our influence, and encourage our people to use their skills and capabilities, to support our community directly.

Mother's Day Classic

Many of our members and employees are touched by breast cancer, either personally through family and friends or through their work caring for others.

As part of Women In Super HESTA was one of the founding supporters of the Mother's Day Classic, a national event that raises much-needed funds for breast cancer research.

Since 1998 the Mother's Day Classic has raised more than \$30 million.

In 2017 HESTA employees ran, walked or volunteered at 10 sites across Australia: Melbourne, Sydney Domain, Western Sydney, Gold Coast, Brisbane, Darwin, Perth, Adelaide, Hobart and Canberra.



Corporate Social Responsibility Employee Leave

We carry out a range of external corporate social responsibility (CSR) activities including responsible investment initiatives and sponsorship of various groups to undertake activities that would otherwise not be possible.

Within our organisation, HESTA employees are encouraged to take CSR leave to contribute to a local community group or charity.

CSR in action

Business Development and Policy Coordinator Martine Calache volunteered with Good Shepherd Microfinance in the lead up to its Resilient Women's Summit. Twelve trailblazing organisations, of which HESTA was the only super fund, launched the first Financial Inclusion Action Plans at the summit.

Client Relationship Managers Helena Higginbottom and John Leitch supported Monash Health across their five sites in December, setting up and staffing pop-up kiosks from which the health service was selling Christmas gifts.

John then volunteered for Monash Health on a Saturday at Kingston Health Golf Club where the World Cup of Golf was raising money for the new Monash Children's Hospital.

Helena is also a Director of The Bridge, a not-for-profit disability support organisation, using her CSR time to attend their board meeting each month.

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financial statements

The following Statement of Financial Position, Income Statement and Statement of Changes in Member Benefits are extracts of the audited Financial Statements of the Fund for the year ended 30 June 2017. Call 1800 813 327 to request a copy of the full financial statements.

Statement of financial position

as at 30 June 2017

	30 June 2017 \$'000	30 June 2016 \$'000
Assets		
Cash and cash equivalents	20,955	40,770
Receivables and other assets	1,676	936
Financial assets		
Cash and short term deposits	4,227,716	2,595,699
Interest bearing securities	5,004,000	4,445,069
Australian equities	10,227,848	9,282,923
International equities	8,861,649	7,665,328
Unlisted unit trusts	8,812,217	7,656,280
Unlisted pooled funds	511,200	530,416
Pooled superannuation trusts	2,315,748	2,192,813
Private equity	1,244,833	1,056,513
Derivative assets	277,822	353,714
Property, plant and equipment	7,309	4,224
Deferred tax assets	3,474	2,631
Total assets	41,516,447	35,827,316
Liabilities		
Payables and other liabilities	(58,904)	(44,998)
Income tax payable	(126,128)	(62,497)
Financial liabilities	(195,148)	(186,230)
Deferred tax liabilities	(653,345)	(490,942)
Total liabilities excluding member benefits	(1,033,525)	(784,667)
Net assets available for member benefits	40,482,922	35,042,649
Member liabilities		
Allocated to members	(40,235,450)	(34,824,220)
Unallocated to members	(3,346)	(12,224)
Total member liabilities	(40,238,796)	(34,836,444)
Net assets	244,126	206,205
Equity		
Operational risk reserve	(93,411)	(84,602)
Fund development reserve	(67,784)	(40,160)
Investment clearing account	(82,931)	(81,443)
Total equity	(244,126)	(206,205)

Income statement

For the year ended 30 June 2017

	30 June 2017 \$'000	30 June 2016 \$'000
Superannuation activities		
Interest	138,490	122,338
Dividend revenue	575,527	544,212
Distributions from unit trusts	680,526	990,334
Changes in fair value of financial instruments	2,834,326	(429,264)
Other investment income	15,420	13,306
Other income	12,454	11,899
Total superannuation activities income	4,256,743	1,252,825
Expenses		
Investment expenses	(139,727)	(101,475)
Administration expenses	(46,872)	(44,299)
Operating expenses	(54,151)	(45,764)
Total expenses	(240,750)	(191,538)
Net result from superannuation activities	4,015,993	1,061,287
Less: Net benefits allocated to members' accounts	(3,707,403)	(999,996)
Operating result before income tax	308,590	61,291
Income tax expense/(benefit)	270,915	(23,728)
Operating result after income tax	37,675	85,019

Statement of changes in member benefits

For the year ended 30 June 2017

	30 June 2017 \$'000	30 June 2016 \$'000
Opening balance of member benefits	34,836,444	32,313,335
Contributions:		
Employer	2,955,472	2,780,696
Member	688,659	446,056
Transfer from other superannuation plans	881,755	818,564
Government co-contributions	6,803	7,192
Low income superannuation contributions	54,907	49,111
Income tax on contributions	(404,603)	(378,691)
Net after tax contributions	4,182,993	3,722,928
Benefits paid to members/beneficiaries	(2,294,414)	(2,016,851)
Insurance premiums charged to members' accounts	(266,676)	(252,420)
Death and disability insurance benefits credited to members' accounts	73,046	69,456
Benefits allocated to members' accounts, comprising:		
Net investment income	3,793,366	1,057,253
Administration fees	(85,963)	(57,257)
Closing balance of member benefits	40,238,796	34,836,444

reserves

The Fund maintains an Operational Risk Reserve, in accordance with the requirements established by the Australian Prudential Regulatory Authority under Prudential Standard SPS114 Operational Risk Financial Requirement, and also holds a Fund Development Reserve and Investment Clearing Account.

Operational Risk Reserve (ORR)

The purpose of the ORR is to provide protection to the Fund in the event that a loss is incurred from an operational risk event occurring. The Trustee intends to maintain this reserve at 0.25% of net assets available for member benefits.

The ORR is maintained in a distinct segregated portfolio by our Custodian and is managed to the same strategic asset allocation as HESTA's lower-risk diversified portfolio investment option, the Conservative Pool. The Trustee maintains a policy to deal with the use of the ORR including management of any shortfalls or surpluses from the target amount.

The balance of the ORR at the end of the last three financial years was:

30 June 2017	\$93.41 million (audited)
30 June 2016	\$84.60 million (audited)
30 June 2015	\$75.13 million (audited)

Fund Development Reserve (FDR)

The Fund Development Reserve (FDR) is primarily used to fund the operations of the Fund, including planning for significant projects that are not business as usual or to respond to any initiatives that arise that will benefit the members of HESTA.

The FDR is maintained in a distinct segregated portfolio by our Custodian and is largely managed to the same strategic asset allocation as HESTA's lower-risk diversified portfolio option, the Conservative Pool. Analysis of revenue and expenditure of the Fund against budget is performed on a monthly basis, allowing the Trustee to manage any surplus or deficit to the FDR. The balance of the FDR at the end of the last three financial years was:

30 June 2017	\$67.78 million (audited)
30 June 2016	\$40.16 million (audited)
30 June 2015	\$35.07 million (audited)

Investment Clearing Account (ICA)

The Investment Clearing Account reflects the investment earnings of the Fund's assets prior to allocation to member accounts as well as accounting standard changes effective 1 July 2016.

The balance of the Investment Clearing Account at the end of the last three financial years was:

30 June 2017	\$82.93 million (audited)
30 June 2016	\$81.44 million (audited)
30 June 2015	\$10.07 million (audited)

related parties

Related Party Investments and Transactions

At 30 June 2017 the Fund had:

- A 31% (2016: 31%) shareholding of ordinary shares valued at \$1,676,328 (2016: \$1,380,100) in Frontier Advisors Pty Ltd.

Frontier receives fees from the Fund for investment consulting services. These fees were \$3,012,407 (2016: \$2,971,777).

Ms A.C. Emslie (as nominee of H.E.S.T. Australia Ltd) is a Director of Frontier Advisors Pty Ltd and received fees of \$14,160 (2016: \$13,883).

All transactions were made on normal commercial terms, under normal conditions and at market rates. Transactions relating to dividends, investment income and subscription for new ordinary shares were on the same terms and conditions that applied to other shareholders.

There were no transactions between the Fund and the Trustee of the Fund (H.E.S.T. Australia Ltd) during the year (2016: \$nil).

Other Shareholdings and Transactions

As at 30 June 2017 the Fund had:

- A 15.9% (2016: 15.9%) shareholding in Industry Super Holdings Pty Ltd (ISH) valued at \$102,915,486 (2016: \$85,909,969).

Industry Funds Management Pty Ltd (IFM) is a subsidiary of ISH and manages investments totalling \$8,758,773,999 (2016: \$6,423,477,748) on behalf of the Fund.

ISH has other subsidiaries with which the Fund transacts. Industry Fund Services Pty Ltd provides financial planning and debt collection services to the Fund. IFS Insurance Solutions Pty Ltd provides insurance services to the Fund. Industry Super Australia Pty Ltd (ISA) provides marketing, advocacy, policy development and research services to the Fund. The New Daily Pty Ltd is also a subsidiary of ISH and provides online news.

Ms C. Smith and Ms A.C. Emslie's partner, Mr G. Weaven are directors of The New Daily Pty Ltd.

Mr G. Weaven is a Director of ISA and Chair of ISH and IFM.

Ms D.J. Blakey, as a nominee of H.E.S.T. Australia Ltd, is a Director of ISA.

- A 16.7% (2016: 16.6%) shareholding in ME Bank valued at \$183,353,976 (2016: \$165,441,636). ME Bank is the manager of the Super Members Home Loan program and the Super Loans Trust. The investment in the Super Loans Trust was valued at \$23,454,091 (2016: \$59,362,299). The Fund also had \$447,341,159 (2016: \$429,951,236) invested in cash and term deposits with ME Bank at year end and investments in subordinated notes totalling \$15,112,950 (2016: \$15,151,132).
- A 3.8% (2016: 3.8%) shareholding in ISPT Pty Ltd valued at \$1 (2016: \$1). ISPT is the trustee and manager of four unlisted direct investment property trusts which the Fund invests in. In addition, ISPT Pty Ltd provides management services to IGPT Pty Ltd in its capacity as trustee of the ISPT Grosvenor International Property Trust on a cost recovery basis.

ISPT Pty Ltd in its capacity as trustee and manager, managed investments totalling \$1,988,578,592 (2016: \$1,645,593,650) on behalf of the Fund.

Mr K. Zimmermann, as a nominee of H.E.S.T. Australia Ltd, is a Director of ISPT Pty Ltd and IGPT Pty Ltd.

All transactions were made on normal commercial terms, under normal conditions and at market rates. Transactions relating to dividends, investment income and subscription for new ordinary shares were on the same terms and conditions that applied to other shareholders.

Superannuation surcharge

The Federal Government abolished the superannuation surcharge tax from 1 July 2005. However, surcharge for prior years may still appear on member annual statements as a deduction from their account.

Eligible rollover fund (ERF)

HESTA may transfer your account to an Eligible rollover fund (ERF) if:

you reach age 65, and

- we have not received a payment into your HESTA super account for you for at least two years, and
- after making reasonable efforts, we have been unable to contact you for five years

OR

- you have died, and
- after making reasonable efforts and after a reasonable period has passed, we have been unable to locate a person entitled to the benefit

OR

- you are a former temporary Australian resident and it has been six months since you left Australia or since your visa expired

OR

- you are entitled to be paid your ex-spouse's super in a divorce and we are unable to contact you

OR

- You meet the ATO's definition of a lost member.

If your account is transferred to an ERF, you will cease to be a HESTA member and any insurance cover you have will cease. HESTA uses AUSfund as its ERF. Contact AUSfund at PO Box 543 Carlton South Vic 3053; email admin@ausfund.net.au; phone: 1300 361 798 or visit ausfund.com.au

key advisers and service providers

We use a number of external service providers to help us administer members' accounts and invest members' money.

Frontier Advisors Pty Ltd provided the Board with advice on investing members' money and is paid a fee for this service. The Fund is a shareholder of Frontier Advisors.

Australian Administration Services Pty Limited (ABN 62 003 429 114) part of LINK Group provides administrative services for the Fund, including operating the Fund's service centre, insurance administration, contribution and benefit processing and other general Fund administration.

Other key advisers and providers as at 30 June 2017 include:

Arrears services: Dwyer and Co Legal

Custodian: JP Morgan Chase Bank

Insurer: CommInsure

Solicitors: Corrs Chambers Westgarth, Allens Linklaters, Holding Redlich, HWL Ebsworth

Internal auditors: KPMG

External auditors: PricewaterhouseCoopers

Taxation advisers: PricewaterhouseCoopers

Technology providers: Adobe Australia, Amazon Web Services, Microsoft, Okta, Qualtrics, Tableau, Tecala.

Investment managers

We use a range of professional fund managers to invest members' money according to specific objectives and strategies (including offering strategies to guard against excessive risk) set out by the Board with advice from our investment consultant, Frontier Advisors Pty Ltd.

By using investment managers, we can make use of their expertise in the investment of members' retirement savings, while at the same time using our size to achieve economies of scale that keep costs low.

when you have a concern, we listen

If you're not satisfied with our products or services, we have a complaint resolution process to address your concerns fairly and efficiently.

Internal dispute resolution process

Step 1	Step 2	Step 3
<p>Call to discuss your concerns. If your concern relates to your:</p> <ul style="list-style-type: none"> • HESTA super account, call 1800 813 327 • HESTA Income Stream account, call 1300 734 479 	<p>If your concerns can't be resolved immediately, you can provide more detailed information about your complaint to our Complaints Officer by:</p> <p>Mail: Complaints Officer HESTA Locked Bag 5136 Parramatta NSW 2124</p> <p>Email: HESTA Super accounts: hesta@hesta.com.au HESTA Income Stream accounts: hestais@hesta.com.au</p>	<p>We'll investigate your complaint and try to resolve it in 10 business days.</p> <p>If we can't respond fully in that time, we will keep you informed about the progress of your complaint.</p> <p>Our response will detail the outcome of the investigation and the reason for our decision. This process is free of charge.</p>

External dispute resolution process

There are independent organisations that consumers can access free of charge to resolve disputes with financial services providers.

These independent organisations are only able to consider your complaint if you have first used our internal dispute resolution process.*

Superannuation complaints, including insurance and income stream	Non-superannuation complaints (e.g. general or personal financial advice)
<p>Superannuation Complaints Tribunal (SCT) Locked Mail Bag 3060 Melbourne VIC 3001 1300 884 114 sct.gov.au</p> <p><small>* You can also access the SCT if your complaint has not been resolved by the internal dispute resolution process within 90 days.</small></p>	<p>Financial Ombudsman Service (FOS) GPO Box 3 Melbourne VIC 3001 1300 780 808 fos.org.au</p> <p><small>* You can also access FOS if your non-superannuation complaint has not been resolved by the internal dispute resolution process within 45 days.</small></p>

what you need to know about this annual report

This Annual Report contains information about the Health Employees Superannuation Trust Australia (the Fund) ABN 64 971 749 321 and is produced by H.E.S.T. Australia Limited ABN 66 006 818 695, AFSL No. 235249, the Trustee of the Fund.

H.E.S.T. Australia Limited is the issuer of the products 'HESTA' (including 'HESTA Personal Super') and 'HESTA Income Stream'.

Care is taken to ensure that information is correct at the date of preparation, but neither the Trustee nor its advisers accept responsibility for any error or misprint, nor for anyone acting on this information, which is of a general nature. It does not take into account your objectives, financial situation or specific needs so you should look at your own financial position and requirements before making a decision.

You may wish to consult an adviser when doing this. The information also represents our interpretation of the law in some instances but should not be relied upon as legal advice. Product ratings are only one factor to be considered when making a decision. See hesta.com.au/ratings for more information.

Please note investments can go up and down. Past performance is not a reliable indicator of future performance. Before making a decision about HESTA products you should read the relevant Product Disclosure Statement (call 1800 813 327 or visit hesta.com.au for a copy), and consider any relevant risks (hesta.com.au/understandingrisk).

If you have any feedback on this Annual Report you can write to:

Debby Blakey
Chief Executive Officer
HESTA
PO Box 615, Carlton South, VIC, 3053

contact us



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**...because your
stories are
our inspiration.**

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