

our investment beliefs

At HESTA, we're all about the future. Your future. We aim to deliver solid, long-term returns on your super. And we achieve this by investing in a way that supports healthy returns, healthy people and a healthy planet we can share with future generations.



Overarching philosophy

- HESTA has a long-term investment horizon, and the mind-set of a long-term investor.
- HESTA will be a responsible investor and recognises that members' best interests are served by supporting a healthy economy, environment and society.
- At the overall portfolio level HESTA has a preference for limiting downside risks (more extreme negative outcomes) and is prepared to accept a corresponding trade-off of not performing as strongly when markets perform extremely positively.
- The long-term strategic asset allocation is the dominant determinant of portfolio risk and return.

Governance

- Clear governance and decision-making structures that promote decisiveness, efficiency and accountability are effective and add value to the Fund.
- With a finite level of investment governance, the activities that have the greatest potential impact on the Fund meeting its investment objectives should be clearly identified and prioritised accordingly.
- HESTA's scale provides exploitable comparative advantages.
- HESTA must seek alignment of interests between members and all those acting on their behalf including collective relationships and external agents.
- Collective relationships can have a positive impact on members' overall investment returns.

Market returns

- HESTA recognises that risk and reward are linked and that it is necessary to take risk in order to achieve the Fund's investment objectives.
- HESTA believes in the benefit of diversification as a means to reduce investment risk inherent in underlying investments.
- HESTA recognises that there will be opportunities within markets to add value and/or reduce risk by varying asset allocation exposures.

Active returns

- HESTA believes that when considering the implementation of strategy, a wide spectrum of investment approaches should be considered.
- HESTA believes in the potential for active management to add value (after all costs are taken into consideration), but recognises that the level of inefficiency and the ability for different investors to access that value varies across markets.
- HESTA believes that skilful managers that have potential to add value after fees can be identified over time by a combination of qualitative and quantitative research.

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