HESTA | An Industry SuperFund

Super with impact

Minutes of FY23 Annual Member Meeting

Tuesday, 27 February 2024, 5:30pm to 7:00pm AEDT

Hosted virtually via **www.hesta.tv** and Zoom

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IN ATTENDANCE:

Directors	***Independent Directors*** Nicola Roxon, Board Chair Sue Dahn, Investment Committee Chair ***Employer organisation appointed Directors*** Deborah Cole Catherine Smith Alan Morrison Emma Maiden Jacqueline Bennett ***Employee organisation appointed Directors*** Helen Gibbons Emeline Gaske Benjamin Davison Kate Marshall Angela van Vorst Robert Bonner
Executives and other Responsible Officers	Debby Blakey, Chief Executive Officer Sonya Sawtell-Rickson, Chief Investment Officer Stephen Reilly, Chief Operating Officer Lisa Samuels, Chief Experience Officer Joshua Parisotto, Chief Engagement Officer Andrew Major, Chief Risk Officer Sam Harris, Chief Strategy Officer Laura Dhana, Company Secretary
Other attendees	George Saganos, Auditor – PricewaterhouseCoopers Nicole Oborne, Auditor – PricewaterhouseCoopers
Apologies	***Employer organisation appointed Director*** Gary Humphrys

WELCOME

The Chief Executive Officer (CEO) welcomed members to the HESTA FY22/23 Annual Member Meeting noting the importance of its members in helping shape the Fund and HESTA's primary focus of achieving the best financial outcomes for its members; and in tailoring its member services to meet members' needs, both now and for the future.

The meeting provides an opportunity to present how HESTA has delivered value to its members and to showcase its commitment to support members through its service offerings and investment performance, over the last financial year.

The CEO commenced the meeting by giving an Acknowledgement of Country, thanked members who joined the meeting, and acknowledged the attendance of the HESTA Chair and Directors, the Company Secretary, Executives, the Fund's External Auditor, Leadership Team and the many HESTA colleagues who were also present.

The CEO confirmed that members are the reason HESTA exists and HESTA invests in and for people who make our world better. By choosing HESTA, members have chosen a top-performing industry super fund that works to deliver strong long-term returns while also contributing to a more sustainable world. The essence being what HESTA calls Super with impact™, which is the positive outcome we create by supporting our members to face the future with confidence, being a gutsy advocate for a fair and healthy community, and delivering investment excellence with impact.

The CEO summarised the order of the meeting, which included presentations from the CEO, the Board Chair, the Investment Committee Chair, the Chief Investment Officer and the Chief Strategy Officer.

The CEO noted that members would have the opportunity to ask questions of the Executive team, Directors, Company Secretary and Auditors, which can be submitted at any time during the meeting. Questions will be addressed at the meeting and those not able to be addressed at the meeting, the responses will be published on the HESTA website within 30 days. The content of the presentation is general in nature and does not consider personal financial situations.

CHIEF EXECUTIVE OFFICER ADDRESS

The CEO presented on HESTA's purpose, Super with impact and HESTA's ambitions for the future.

The CEO spoke to the importance of investment returns in supporting members to face the future with confidence and noted the strong investment return of 9.59% for the 2023 financial year (FY23) for HESTA Super Balanced Growth option, its MySuper authorised default option. Over 10 years, HESTA Super Balanced Growth delivered an average of 8.02% per annum to members to the end of June 2023.

The CEO presented an overview of the Fund's key highlights, which included:

- Welcoming its one-millionth member in February 2023.
- Access to economies of scale, leading to cost efficiencies and a reduction in administration fees during FY23 including negotiating lower fees with its investment managers.
- HESTA receiving top ratings from agencies including Chant West, SuperRatings, Selecting Super, Heron and Rainmaker. This recognition reaffirms HESTA's commitment to its members.
- Partnership with GROW Inc, its future outsourced administration services provider. This partnership is expected to help HESTA to cost effectively provide personalised, seamless experiences across various channels and at scale to

members. The GROW platform is also expected to provide the flexibility to innovate faster and more efficiently.
- The Future Planner tool providing personalised, digital support options for members to assist with projecting estimated retirement including providing access to an advice library which allows members to create an action plan and goals themselves. All this gives members control to make informed choices about their financial future. Future Planner has had almost 200,000 members using it since its launch in August 2021.
- Ongoing advocacy to address systemic inequity issues that risk the financial security of members and that matter to members such as pay super on the Commonwealth Parental Leave Pay Scheme.
- HESTA's approach to achieving investment excellence noting some of HESTA's key accolades over the years such as:
    - Being one of the first super funds to receive research company SuperRatings' 20-year platinum performance rating for its accumulation products, the highest rating possible — and one of only six funds to have received a platinum rating every year since the inception of these awards, back in 2004.
    - HESTA's super Balanced Growth option being ranked in the top-ten investment options over 3, 5, 7, 10, and 20-year periods to 30 June 2023, according to SuperRatings.
    - Receiving the SuperRatings Net Benefit award again in 2022.
    - Being named as Best Superannuation Fund in the Industry Super category again, by Product Review.
- The deepened understanding of HESTA's role in delivering innovative investment solutions to deliver strong long-term returns as well as helping address some of Australia's most pressing social issues, many of which directly impact our members. For example, working alongside specialists in the affordable housing space to launch Super Housing Partnerships, an affordable housing investment manager, through which HESTA intends to invest $240 million in build-to-rent opportunities. This is a significant step in HESTA realising its vision to create strong, stable returns for members while also supporting the huge need for affordable and secure housing, a great example of its 'Super with impact' commitment.
- The role HESTA has as a large global investor in supporting the orderly, timely and equitable transition to a low carbon future.

Before handing over to the Board Chair, the CEO expressed gratitude on behalf of the Executive Team and organisation to the HESTA Board for its support and expert guidance. The Board's insights and knowledge have been fundamental to setting HESTA up for long-term success and help to make a real difference to the future of every member.

CHAIR ADDRESS

The Board Chair welcomed everyone to the meeting and took the opportunity to thank the Executive Team and all HESTA's colleagues for their commitment and unrelenting focus on strengthening the Fund and doing everything to positively impact members' financial futures.

The Board Chair reiterated that members are at the centre of every decision made at HESTA with the focus to always act and make decisions in members' best financial interests.

Before commencing, the Board Chair acknowledged the significant workforce shortages, funding constraints and cost of living pressures impacting workers in the health and community services sector, noting that it is a challenging time for many, and applauded their resilience. The Board Chair thanked members for their collective dedication to supporting the wellbeing of our community.

The Board Chair recognised that superannuation fund members place an enormous amount of trust in their funds with the expectation that their fund will diligently manage and grow these savings over the long term. This trust is central to the peace of mind and confidence that HESTA members have in planning for their retirement years. The Board acknowledged and appreciated the trust members placed in HESTA and confirmed that HESTA is committed to upholding that trust through its continued focus on transparency, integrity and excellence in all that it does.

The Board Chair noted that members continue to operate on the front lines of the COVID pandemic, and paid tribute to their efforts and response across health, aged care, community services and early childhood education.

The Board Chair shared highlights from HESTA's strategy which is focused on growth and strengthening the deep alignment with its members and the sectors it serves. This included:

- Pleasing organic growth, as well as the merger with Mercy Super, a Fund strongly aligned with our member focus, purpose and values. The merger means members continued to benefit from being part of a leading superannuation fund and enjoy reduced fees as a result of the economies of scale.
- Commitment to continually evolve HESTA's responsible investment approach.
- The Fund's strategic priorities for the coming years will be strongly informed by these challenges and the investment opportunities they offer.
- Making the superannuation system more equitable for members and creating a system that better serves their best financial interests by supporting the Commonwealth Government's proposed objective for the superannuation system which will provide a shared understanding for members, funds, regulators, and government about the very purpose of the system and a clear measure against which to consider any future policy changes. HESTA has also called for further explanatory materials to clarify what 'equity' means, and to clearly reference the elimination of the gender super gap and the need to avoid entrenching or creating inequity for women, Aboriginal and Torres Strait Islander peoples and those on low incomes.
- HESTA's 'Ask Izzy' partnership which allows members to search for social services, including financial assistance, food relief and family violence support. This partnership helps members to connect with those support agencies directly from the HESTA website as a first port of call, without affecting their retirement savings.

The Board Chair gave an overview of Board governance and the HESTA governance structure and framework, noting that governance is critical to operating as a financially successful and sustainable fund for its members. HESTA's effective governance has ensured that decision-making is guided by strong principles, aligned with the expectations of stakeholders.

The equal representation model at the Board helps to ensure that both employers and employees have an influence in the governance and decision-making processes of HESTA. This fosters a balanced and fair approach to managing members' retirement savings. The Board Chair also took the opportunity to welcome the new Directors who joined the Board in the last financial year.

The Board Chair reflected on HESTA's proud history, noting that HESTA has invested in and for people in the health and community services sector since 1987. Having Directors appointed from Guarantor organisations in health and community services means members' needs and the issues they are experiencing are heard and understood; and are integrated into our strategy, governance, and decision-making. The Board Chair expressed her thanks to her fellow Directors for their commitment, passion, skill and expertise in delivering value and insight to members over the year.

The Board Chair also thanked those who joined the meeting and for the opportunity to present how HESTA's strategy and governance deliver value to our members. The Board Chair then handed over to the Chair of the HESTA Investment Committee.

INVESTMENT COMMITTEE CHAIR ADDRESS

The Investment Committee Chair expressed her gratitude in having the opportunity to present on HESTA's investment strategy, as a board member and as the Chair of the Investment Committee, having commenced both roles in July 2023.

The Investment Committee Chair highlighted some of the key successes achieved over FY23 and some of the important work in progress. This included:

- The investment internalisation strategy which is enabling more investment functions to occur internally at HESTA. The internalisation strategy is carefully considered and prioritises the areas that HESTA believes add greatest value for members. Of note:
    - The scale of the Australian equity portfolio managed internally reached $4 billion at the end of FY23.
    - Progress has been made on the internal Australian fixed income and cash portfolios.
    - Alongside managing the term deposit strategy, in the first half of calendar year 2023, HESTA executed the first investments into its newly created internally managed Enhanced Cash and Australian fixed income strategies and that work continues with strong momentum.

- Continued focus on a broad range of initiatives, including internalisation, to help reduce investment costs and therefore pass the savings onto members.
- Over FY23, the Balanced Growth (MySuper) option delivered investment fees and costs at 0.48% — a great outcome for members, especially in the context of the net 9.59% investment return that was delivered for the financial year. PDS indicative investment fees and costs (which takes into account five-year average performance fees) also reduced from 0.73% to 0.66% — a 10% reduction over the year.
- the Investment Committee's focus on continuing to deliver the investment targets into the future. Central to this is considering the current market environment, market outlook, ongoing thematics including climate change, digital disruption and geopolitics, in any review of the Fund's investment strategy. The Investment Committee also considers expected forward returns and risks across all the various segments of the market, and recommends any alterations to the strategic asset allocation and ranges to the Board.

The Investment Committee Chair also discussed HESTA's deep commitment to responsible investment. Key highlights include:

- Progress made on HESTA's responsible investment commitments over the year, including climate commitments. Mitigating climate-related risks requires a material and sustained reduction in carbon emissions.

- In 2020, HESTA set an interim target to reduce normalised emissions from its portfolio by 33% by 2030. HESTA achieved that goal in 2022 — eight years earlier than planned.
- HESTA released its second Climate Change report, 'Our Path to Net Zero' which provided an update on the progress of our Climate Change Transition Plan and management of climate-related risks and opportunities.
- HESTA's deep and ongoing commitment to responsible investment in action contributed to HESTA again being recognised in October 2022 as a Responsible Investment Leader by the Responsible Investment Association Australasia.

The Investment Committee Chair also touched briefly on regulation and governance. The Investment Committee, alongside the Risk Committee, oversees the investment governance arrangements to ensure that HESTA responds proactively to the changing regulatory environment including ongoing engagement with regulators as appropriate — and that our investment governance arrangements remain fit for purpose as we evolve. Each year, superannuation funds are assessed on whether their MySuper product achieves a net return above or below APRA's performance test benchmark. Pleasingly, all HESTA investment options that are subject to APRA's superannuation performance test not only passed but had positive outperformance relative to the test benchmark as at 30 June 2023.

Before concluding, the Investment Committee Chair thanked members for continuing to trust HESTA with their retirement savings. The Chair of the HESTA Investment Committee then handed over to the Chief Investment Officer (CIO) to provide further insights into HESTA's investment processes and outcomes.

CHIEF INVESTMENT OFFICER ADDRESS

The CIO presented on the strong investment performance for FY23, noting that it is the cumulative long-term performance that will make a difference to members' retirement. Key highlights included:

- An overview of the difference of investing in different asset allocations over time, noting that when investing for the long term, a 'lower risk' option may be creating long-term risk for retirement.
- An overview of market performance over the last financial year.
- An overview of the Fund's options over the last financial year, noting:
  - The strong performance of the Accumulation and Transition to Retirement Ready-Made investment options.
  - All HESTA Super Ready-Made investment options exceeded their 10-year inflation-linked investment objectives.
  - All Ready-Made options outperformed the median peers over 1, 3, 5 and 10 year periods, and were top quartile versus peers over 5 and 10 years to 30 June 2023.

  This strong absolute performance, and strong historical performance relative to objectives and peers over the long-term, demonstrates how HESTA has helped members create a better financial future.
- In terms of actual performance:
  - MySuper Balanced Growth option, where most HESTA members are invested, returned 9.59% over the year to 30 June 2023 and an annualised 8.02% p.a. over the 10-year period to 30 June 2023.
  - The Sustainable Growth option, over one year to 30 June 2023, delivered 9.94% and over 10 years had an annualised 9.28% p.a. to 30 June 2023.

- Our High Growth option returned 12.58% over one year, and an average of 9.46% p.a. over 10 years to 30 June 2023.
- The Conservative option delivered 5.74% over one year and an average annual return of 5.45% p.a. over 10 years to 30 June 2023.
- Pleasingly, these four options have also exceeded their peers and 10-year inflation linked investment objectives.
- Retirement Income Stream Balanced Growth option returned 11.79% for FY23, while the Retirement Income Stream Conservative option delivered 6.40% over the same time frame. Both these options delivered returns above their inflation-linked 10-year objectives and above the median peers.

The CIO also presented on HESTA's role in addressing systemic risks. Systemic risks are those that threaten the functioning of the economic, environmental and wider social systems on which long-term investment performance relies. HESTA endorses the ambitions of the United Nations' Sustainable Development Goals (SDGs) and prioritises actions on a number of SDGs. The CIO focused on SDG 3 – "Good Health and Wellbeing" which aims to enable economic growth by improving productivity and reducing economic costs caused by illness.

The CIO shared HESTA's advocacy approach for good health and wellbeing, through active ownership, engaging with companies and voting with respect to HESTA's portfolio holdings. The CIO also highlighted the focus on antimicrobial resistance (AMR) as a systemic risk that has the potential to causes material financial impacts and why, as shareholders, HESTA is raising awareness of this important issue, and using its rights to lodge targeted shareholder resolutions to improve responsible antibiotic use practices within companies routinely using antibiotics. HESTA also invests capital in this segment in areas such as healthcare property, health technology and life sciences. By combining investment excellence with impact, HESTA believes its members' capital can achieve strong financial returns while contributing to a more sustainable future.

In closing, the CIO shared how HESTA is prepared for future market conditions. Whatever the market delivers, HESTA will continue to actively take advantage of opportunities and adjust to emerging risks to ensure it is well placed to deliver the long-term investment objectives to help its more than one million HESTA members face the future with confidence.

The CIO thanked the members for investing in HESTA and handed over to the Chief Strategy Officer.

CHIEF STATEGY OFFICER ADDRESS

The Chief Strategy Officer (CSO) presented HESTA's approach to supporting members to face their future with confidence. By listening to our members, HESTA better responds to members' needs and develops the right support for its members. Through its member research and insights program and the feedback received (40,000 in FY23), it informs HESTA on how it can improve and build new services to help members engage with HESTA and their superannuation. In turn, helping members act more easily to improve their financial future.

Key highlights over FY23 include:

- Continuing to invest in digital capability to build faster, smarter and more personalised online solutions, with digital services being members' preferred way of engaging with HESTA. These include enhancements to online processes to facilitate change of name details after marriage to create efficiencies and avoid paper-based form processing times; the introduction of an interactive feature on

the HESTA's website contact us page, so members can find answers quickly; and the introduction of "fast facts" on certain topics, such as making additional contributions. All of these enhancements are designed to help members resolve more enquiries online.
- To supplement HESTA's advice service by connecting members with support beyond super, HESTA has been continuing to build its referral network over the past financial year by launching four new partnerships to help its members.
- HESTA ran its second Financial Wellbeing Insights email series in the first half of 2023, to help those getting closer to retirement. This second series followed encouraging feedback from those members who experienced the first phase in 2022, who indicated feeling more financially confident at the end of the series compared to how they felt at the start. The second phase saw members taking a range of positive actions, with those who received the series 100% more likely to take up advice.
- The introduction of information sessions designed for those who are already retired, or those starting to think about retirement. These sessions are held across the country and online, the sessions are provided as part of the HESTA membership and cover topics such as navigating Centrelink and how estate planning works.

The CSO thanked members for joining the meeting and handed back to the CEO.

QUESTION TIME

The CEO thanked the presenters for the presentations. The CEO again thanked members for joining the meeting, and for continuing to entrust HESTA to safeguard and grow their long-term retirement savings — a responsibility which is not taken lightly.

The CEO then handed the floor to HESTA's Chief Operating Officer (COO) to moderate the Q&A session.

The COO opened the meeting for questions. Members were able to submit their questions online via the live event. Answers to all submitted member questions (except for specific account related questions) are included in these minutes as **Appendix 1**.

CLOSE

The COO thanked everyone who tuned in to HESTA's Annual Member Meeting and also thanked those who submitted questions. A recording of the meeting as well as written minutes will be available on HESTA's website within 30 days, including responses to those questions submitted which were not addressed at the meeting.

APPENDIX 1

Responses provided during Annual Member Meeting

Response provided by	Question	Response
Chief Investment Officer, Sonya Sawtell-Rickson	**I accept that some members have interests other from maximizing return, but for myself, I believe solely on max. return. Given different priorities lead to different outcome, will HESTA establish non ESG focused option?**	Our first and primary focus is on maximising return for our members, and that's why we've been able to generate that strong and leading performance that you've seen tonight. Our second focus is on having a positive impact on the future that you will retire into. To do this, we integrate responsible investment into our investment process. We take into account ESG considerations. So, E relates to environmental elements, things such as the sustainability of the products that companies offer or their impact on the natural environment, including things like climate change. The S might relate to social issues such as modern slavery or occupational health and safety issues. And G tends to relate to things such as board capability. We think it is actually critical that we incorporate these elements into our investment process because they help us to identify potential financial risks that are emerging, and help us to identify leading companies that have great opportunities into the future. So for us, ESG is fundamental to the strong and long-term performance and positive impact that we've been able to generate.
Chief Executive Officer, Debby Blakey		**Question from moderator: Debby, what do we hear from our members on this topic?** It's always important to remember members are invested for 20, 30, 40 years in their super, so it is very important we take this long-term perspective and what also is critical is the interconnected relationship between the economy, the environment, and society. And that's why investing responsibly is an important role for us as a fund. In terms of our members, we research our members, we survey them, we engage with them to find out what their perspectives are. Interestingly eight out of 10 members say that it is important that we invest responsibly. So investing responsibly does resonate strongly with our members.

		And there is also the importance of net benefit. Net benefit is the amount that actually goes into a member's account, net of fees, net of costs, net of tax. And we are thrilled at HESTA that we have been recognised as a leading fund and received the SuperRatings Net Benefit award in 2021, '22, and '24 which speaks to the net returns that we are delivering to members over the long term.
Chief Experience Officer, Josh Parisotto	**What age can we used our superannuation?** **When is the right time to withdraw money from HESTA. I have worked for 4 yrs? Can I withdraw certain amount of money from Hesta after 4 years** **When can we take out our money from HESTA?** **In what age I can access my super?** **Access to super funds if retire early at 56 is this possible and how?** **Can I get my super before my retirement?**	There are many ways to access your superannuation, and this can vary depending on your age. If you're not at retirement age yet, there's two ways you can access it early via severe financial hardship and compassionate grounds. There are strict rules imposed on accessing super early. These rules are mandated and not set by HESTA, but members can visit our website or the ATO's website as there's a lot of information that can provide some help and guidance in terms of how to access these two elements if you're before retirement age. But the good news is, if you have reached preservation age, which is between the ages of 55 and 60, subject to when you're born and also meeting a condition of release will allow you access to superannuation. Now, there are benefits of turning 60 and if you cease employment arrangements at that point in time or when you reach age 65, even if you're still working, will give you access to superannuation. An additional benefit is that it is tax-free if you want to take it out. There are ways you can access it later on in life towards age 65, but there's one other way called transition to retirement or TTR. This is a strategy which allows you to access your super while still working. So, you are able to salary sacrifice into superannuation to reduce your taxation, but also draw a tax effective income stream. There are specific rules around this but being a HESTA member and the benefits of the membership gives you access to a range of services which include Future Planner, which over 200,000 members have utilised since 2021. Future Planner is a help and guidance tool that can really help you along the way in understanding how to get access, but also looking into these different elements. We would also recommend talking to one of our super advisors or super specialists anywhere in the country that will support you on that journey. And we

		recommend members talk to one of them in terms of getting financial advice and help.
Chair, Nicola Roxon	**What are the main drivers for prosperity in the Superfund sector? And how is HESTA mitigating factors like climate change, current or future wars or political and economic stability in its future growth plans?** **What is Hesta doing to support climate change prevention & mitigation initiatives in its investments please?**	What members have already heard from the presentation so far, and particularly from Sonya, is it's members' money. If each member on their own, whether they're working as a nurse or they're working in early childhood, had their little pot of money and had to make a decision about how to invest it, it would be difficult as it requires so much expertise and there's so many different options. But when you have Sonya and the Investment Committee Chair - like Sue that you've heard - and our whole team looking at the big picture opportunities and looking at the combined money that our members entrust to us, the opportunities for how superannuation can play such an amazing role in growing that pot of money for members, but also in our economy as a whole. We're now talking about trillions of dollars in Australia that are in superannuation funds like HESTA - and having expert investment specialists looking at where the opportunities are, to be patient, long-term capital, which means we can invest for 10 or 20 or 30 years. Whereas, many of our members might be thinking about investments being those photos of a New York Stock Exchange: sell, buy, up and down every minute. The approach that our CIO can take when looking at, "how do we invest over the long term?"; "where are the things that are going to make money for our members?"; "where are the things that are going to help build Australia??". We now have three and a half trillion dollars in our superannuation sector, we've got businesses around the world looking to Australian superannuation funds to invest in them, pitching what's a great new opportunity and what's going to give a good return. We have designed a superannuation system really special in Australia and every member gets the benefit of that system being set up for ordinary working people to be able to pull their money, get the benefit of the careful investment decisions made by our teams and, of course, the positive social impact that choosing where you invest can have. There's a whole lot of opportunities and risks that have to be navigated when you're looking at where you invest that precious money that members entrust to us.

Chief Executive Officer, Debby Blakey		There are opportunities in terms of how we navigate this over the long term as well as risks, and we have to navigate both of those. The two primary ways that we do that in terms of that look forward is in the way that we invest, the careful analysis that the team puts in to understand the risk and the return profile of investments, including things that have been put forward as examples, and thinks through the allocation of capital globally in that context. The other one is how we engage with the companies that we invest in. That we have a seat at the table, we see ourselves as active owners, we don't just invest and then forget about the investment. We are very active in engaging with those companies to understand their strategies for navigating these issues. Climate change is a great example. At HESTA, we were one of the first large super funds to commit to a climate change transition plan. We are very focused on alignment with the objectives of the Paris Agreement and that net zero commitment. What's important is we've taken a medium-term approach as well and have a target by 2030 for reduction in normalised emissions. And when we launched the plan, the target was a 33% reduction in normalised emissions from scope one and scope two emissions. And in fact, we've already passed that and we were in a position in September '22 to strengthen that target to a 50% target. So it very much is how we look at where we are now and how we think about that future, think about all of these different impacts on the investment portfolio and be prepared to make decisions today that will drive that positive long-term outcome for our members.
Chief Strategy Officer, Sam Harris	**HESTA Fees are significantly higher, as a percentage of funds under management, when I compare my HESTA Account fees with my Husbands Superannuation Fund fees. What is being done to reduce these costs please?**	There were changes to our administration fees and costs on 1 February 2023, which saw a decrease in costs for all Income Stream members, with an increase to the administration fee for some Accumulation members. A cap on our administration fees and costs was also introduced. We aim to keep our fees and costs as low as possible. We regularly review these and benchmark them against other funds to ensure they remain appropriate, while allowing us to provide the services, benefits, information and care our members expect. We'd encourage you to consider the net benefit you receive, as that's a good way to assess value for money. The net benefit is your investment earnings

		after any fees and taxes have been taken out. HESTA was awarded the SuperRatings Net Benefit award in 2021, 2022 and 2024 recognising the value we deliver to members.
Chair of Investment Committee, Sue Dahn		**Additional question from the moderator: How does the Investment Committee think about investment fees and costs?** Well, we do think about it and we think about it a lot. Our core responsibility and duty is the best financial interests of the members. And, as Debby's already said, that's what's credited to the account on a regular basis. So investment fees as a component of overall fees, it makes a big difference. We've already acknowledged just how important the HESTA net benefit results have been, but we can't sit on any laurels because costs are going down everywhere. And it is one of the benefits or outcomes of consolidation and growth, that we should be able to provide services at lower unit costs per member as funds get bigger and as the system gets bigger. And that's obviously what we want to do. So we are targeting the median and the median is going down. So it's something that we constantly have to be watchful about. So we are very aware of what other funds offer, but we're also very aware that not all funds offer apples and apples products and services. And it's really important to analyse the differences between products and services when making fee comparisons. And the balancing act that we've got before us is to not have fees blow out to the point where the net benefit is adversely affected, where it's eroded, but to not have them so low that we can't meet members' expectations. And that's that, it is literally the median. So on the investment side, and the work of the Investment Committee is constant vigilance about the cost of delivering the investment performance for members. We've been very active in internalising a material proportion of our funds under management. I talked about that earlier in my presentation. At the end of last financial year, we had $4 billion in internal management. That's really taken off and gained a lot of momentum since that time and we're working towards our initial 10% goal of the fund to be internalised, and that reduces costs. We are also judiciously always looking to combine low-cost investment strategies with higher-cost

		investment strategies. So, index investment with active investment, and that lowers cost. And working collaboratively and constructively with very long-term investment partners, as well as service providers. And constantly keeping that best interest, the best financial interest of the member at the forefront of our mind. We are constantly working on reducing our fees that we pay out to manage the service providers. So those three things keep the cost going down and keep us at median.
Chief Investment Officer, Sonya Sawtell-Rickson	**Other than private meetings and voting at Annual General Meetings, what else can HESTA do to put pressure on companies who don't want to reduce their emissions?** **As a fiduciary duty to health worker members*, how does HESTA propose to escalate influence on companies that are significant contributors to global warming, in particular Woodside and Santos?** **Explain how HESTA will vote at Woodside AGM, and how this will reduce climate impact of Woodside?** **Will HESTA vote against Woodside directors who are encouraging expansion of fossil fuel mining?**	Active ownership is such a core part of our responsible investment. We believe that the way to achieve change and drive performance is really to actively engage with the companies and the managers in which we invest — and try and continuously improve and drive, not just financial performance, but improvements in those ESG elements, which then consequently drives and continues to virtuously reinforce financial performance. When we do this, there are a number of tools available to us. One would be to engage with the company and discuss our concerns or discuss the opportunities that we see and have ongoing dialogue on those issues. Another might be to use the tools available to us as shareholders such as voting at annual general meetings. Woodside is an example of a company where we are actively engaging. On our active engagement, we have actually introduced a watchlist and on this watchlist we capture companies where we believe they're not meeting appropriate standards. And currently Woodside and Santos are on that watchlist. We've been quite active on our watchlist in the last financial year, and we did actually have four companies on the watchlist. But pleasingly, we've been able to take two of those companies off the watchlist as a result of their changes to their policy and their climate transition plans, which has brought them into alignment with the Paris Agreement. For Woodside there will be an annual general meeting in April. They haven't issued the notice of the meeting yet but when they do, we will consider actively the resolutions available for vote. We will make decisions that are based on our members' best financial interest, as we always do. And we are currently reviewing their climate report and that will also fit into our thinking and decisions. We publish for full transparency, the decisions that we make and they're available on our website twice a

		year. And we also provide, in our Annual Report, examples of the actions that we are taking and the activities underway. Members can visit our **Annual Report** or our **Climate Change Report**, both of which speak to everything that we're doing, and all of the active ownership we're employing to try and drive the transition to a low carbon future. Thanks. **You may also find the below extra information useful:** We understand that some members may be concerned that a portion of their super is invested in companies whose activities have contributed to environmental harm. Selling shares in high-emitting companies without first attempting to change company behaviour does little to mitigate the broader, system level, risk of climate change. If we simply default to divestment from all companies in emissions-intensive sectors, we lose our ability to exert influence, our 'seat at the table'. Instead, we risk transferring the responsibility to other shareholders who may not be as concerned with supporting greater action on climate change. By remaining invested, we can actively engage with companies to influence their behaviour. HESTA has been engaging with emissions-intensive companies for several years through both direct and collaborative programs. Our engagement has contributed to influencing high-emitting companies to elevate their decarbonisation ambitions in recent years. HESTA has developed an escalation framework and regularly assesses the transition progress of high-emitting portfolio companies. If we are concerned by any gaps between portfolio company commitments and actions to transition their businesses toward alignment with Paris Agreement goals, we may escalate the company to a watchlist position. We subject watchlist companies to closer engagement and monitoring. The escalation framework also considers the use of one or more escalation tools including consideration of divestment, where HESTA considers there is inadequate evidence of progress to address risks, and where we determine this to be in members' best financial interests. **HESTA has a fiduciary duty to all members as a whole and not just to limited segment of cohorts.*

Chief Strategy Officer, Sam Harris	**How do you change a beneficiary?**	Letting us know who gets your super after you're gone is really important. And there is a couple of ways that you can do that. The first way is to nominate a preferred beneficiary, and that can be done on Member Online. You log into your online account and nominate where you'd like your super to go, and then we will receive that and process that. When you nominate a beneficiary in that way — a preferred beneficiary nomination — it's really important to know that we will take that into consideration, but that doesn't necessarily mean that those instructions or nominations will be followed, 100%. The other way that you can nominate a beneficiary is called a binding nomination, and you actually have to go to our website and download a form. And what's different between a preferred beneficiary nomination, a binding nomination is a legally binding instruction and we will follow that instruction. You'll need to nominate certain types of people, either your spouse or your dependant or your estate, and get that witnessed. When you complete a binding nomination, they do expire every three years. So, you'll need to keep refreshing that every three years for that to take effect as well.
Chair, Nicola Roxon		Some members also might be wondering why is it so complicated? And it's really important that we make clear that there are rules that are there to make sure that the system can't be manipulated so that somebody can't avoid legal requirements and to really protect the member. And so Sam's description about the different ways you can do it is really there to protect you as the member — and make sure that if you do want it to be binding, that you go through a process so that we, at HESTA, are able to be really clear that it is lawful, that it isn't somebody pretending to be you. It's one of those many checkpoints, which members are increasingly getting worried about, wanting the confidence that their money is safe and that the way it could be used in their retirement or if they pass away. So great to have that, but also to remind members that we're not making up those rules to make it difficult for people. We need to make sure that we're following the law, that there's the right protections there for people — that their money will be protected and properly itemised.

Chief Engagement Officer, Josh Parisotto	**What flexibility does Hesta and the dearer superfund sector have in utilising contributed funds towards the deposit or purchase of a home? Considering inflation, unaffordability of both rent and purchasing of homes.**	The good news is, since the 1st of July 2017, the government introduced a scheme called The First Home Supersaver Scheme. The purpose of this scheme was to really encourage first home buyers to use their superannuation, a tax effective vehicle, to save for their first home. How you can do that is either through your pre-tax or your post-tax — which is after you receive your income from your employer and you pay tax out of it — you can contribute to your superannuation up to $15,000 each year to a maximum of $50,000 over multiple years. So what this does is let you build a nest egg in a tax effective environment. But, then once you hit those limits and you want to withdraw your money, but you need to use that, you need to spend that money within the first 12 months of either buying a property. Or if you're looking to construct one, in those first 12 months. Otherwise, there's other taxes are applicable. But what I would suggest is please speak to one of our Super Advisers or visit our website to check out some additional information. But it's a fantastic way of actually putting money aside, using your superannuation, to actually get into the market. This is a good opportunity to talk about HESTA's investments in affordable housing.
Chief Investment Officer, Sonya Sawtell Rickson		It's important to start by just acknowledging what a significant challenge housing is in Australia today. I know it's impacting many of our members, both in terms of affordability to purchase homes, but also in terms of affordability to rent a house and the stability of that rental over time. We've been focused on this because we are hearing about these challenges — from our members, from our employers, and directly through our Board — as a real concern for our membership, which has led us to really engage with government, engage with community housing providers, engage with other stakeholders to really try and understand the challenges. And through doing that, what became obvious to us was that there were opportunity here for institutional capital to provide innovative solutions. Super Housing Partnerships is really designed to accelerate institutional capital investment into supply. And the reason we've done that is because we see supply as one of the big challenges. By increasing supply, we should be able to improve the affordability in the market. And so we've committed $240 million to the platform.

		Pleasingly, our first development is actually underway and in train, and we are going to be so excited to be able to deliver supply into this market of long-term build to rent accommodation across affordable, social and disability housing, and which we hope will be a first step to hopefully helping to address the challenge. We are here primarily to deliver strong financial returns. And the good news about affordable housing is not only does the return stack up in terms of the risk-adjusted return, the demand for affordable housing, as you can imagine, is actually much more stable than the demand for higher-cost housing. So even in a recession, if anything, demand will increase because people are seeking more affordable housing solutions. So, we're really excited about this from an investment perspective as well as the potential impact that it can have.
Chief Strategy Officer, Sam Harris	**Could HESTA consider offering a term deposit as an income stream investment option? It would offer a stable investment choice for those wishing to retain 100% of their funds within HESTA and not move to an annuity. What do you think?**	We regularly review our investment options. At the moment, we have 10 investment options available to our accumulation and income stream members. At this point in time, there isn't a specific term deposits option, but there is a cash and term deposits option. So if you did want to invest in cash and term deposits, there is an option there for you. We also have access to cash and term deposits across other investment options as well. So things like our Conservative investment option also has cash and term deposits in there. We regularly go out to our membership to help us understand what we should be designing from a product perspective. And given what's happened over the past 12 to 24 months with term deposits and the rates they're paying, it's definitely something that we would look into for sure.
Chief Investment Officer, Sonya Sawtell-Rickson	**Why is the sustainable growth option currently worse than Balanced Growth option each with the same risk profile? Thank you.**	They do have the same risk label in terms of expected risk over the long-term, but Sustainable Growth and Balance Growth actually have quite different asset allocations. So, in any given year or over any shorter period of time, these asset allocation differences will result in different performance. You'll also see the Sustainable Growth option has quite different exclusions that it complies with. So, for example, it doesn't invest any capital into fossil fuels**. So these exclusions will also mean the asset class performance of the two options can be quite different. You're right to call out that financial year to date and standing here today, the Sustainable Growth has marginally underperformed the Balanced Growth.

Investment Committee Chair, Sue Dahn		But interestingly, as you just saw tonight, last financial year, it was actually the reverse with the Sustainable Growth outperforming Balanced Growth. And this just gives you an indication of some of those effects that can happen in any given year. I think, pleasingly, over the long term, the performance of both options has been very strong. Balanced Growth and Sustainable Growth have performed well in their categories over the 10-year period. But year to year they will vary because of their varying composition of assets and exclusions. And just to give some reassurance, the Investment Committee looks at all of the ready-mixed options and all of the product or asset class specific options on a very regular basis. Not just the look-back in performance but the outlook and expected market conditions for that particular mix of assets or single asset class. And our role is very much, with the support and guidance of the team, to understand the reasons for those ups and downs and where those reasons for the ups and downs are completely explicable characteristics of rising and falling financial markets or sub-financial markets. There really isn't any need to change the product design or the parameters, but if it were to occur over time that there was a fundamental underlying reason why a particular composition or mix of underlying products — the expectation was that that had any lasting negatives about it — we would ask the team to come back to us and look at how we could make improvements. But that monitoring role is very, very much our core role. But go back to the Balanced Growth and the Sustainable Growth, they've both been exceptionally good ready mixed options and we're really proud that they've both done very well for our members. **You may also find the below extra information useful:** FY23 Performance Accumulation and Transition to Retirement: HESTA's super Balanced Growth option returned an average of 8.02% p.a. over 10 years compared with the peer median of 7.32%^ over the same time period. FY23 Performance Accumulation and Transition to Retirement: HESTA's super Sustainable Growth option returned an average of 9.28% p.a. over 10 years compared with the peer median of 7.34%* over the same time period.

		^SuperRatings Accumulation Fund Crediting Rate Survey June 2023. SR50 Balanced (60-76) Index median. *SuperRatings Sustainable Fund Crediting Rate Survey June 2023. Sustainable Investment Survey. Balanced (60-76) median **More information about our investment exclusions can be found in our **Investment Choices** booklet.
Chief Investment Officer, Sonya Sawtell-Rickson	**What are HESTA's projections for the rest of this year and the first two quarters of 2024/25 for superannuation?**	The results we presented tonight were end –of –financial year results and we rolled forward to end of December and the calendar year just passed. Again, we held our really strong performance. So, the HESTA Balanced Growth option, where the majority of our members reside, delivered top 10 performance for the calendar year just finished. As we're looking forward, and again, I've touched on this, that we are seeing significant cash rates around the world at the moment. And higher cash rates are designed to really try and take a little bit of steam out of the economy. They're trying to cool demand, they're trying to take out some of the inflationary impulses that are feeding in, and they're trying to bring the economy down into a soft landing. If they're successful and standing here today, we're still seeing really stable economies, we're seeing employment holding up, we're seeing GDP growth still printing quite well. We're seeing inflation continuing to moderate without exception of the US recently. So, the performance to now, for this first couple of months of the year, has been really strong. But with the cash rate rises, we are expecting that to moderate. So, the good news is if we do see moderation, if we do see inflation continuing to fall back within the target ranges of central banks around the world, then we will see cash rates start to fall as well. And what we're seeing at the moment in financial markets is they are pricing probability of cash rate falls into the rest of the financial year. So that will, through time, actually provide a little bit of support to markets. As will some of the ongoing innovations that we're seeing, which AI has the possibility of introducing some real productivity gains.
Chief Investment Officer, Sonya Sawtell-Rickson	**Which companies does HESTA invest in?**	We do invest in a large number of companies. If you look around the world, there are many regions to invest in, there are many sectors to invest in. And we pursue that level of diversification as we deploy capital for our members. There are also listed companies and unlisted or private companies. And we put capital to work in both of those markets because

Chair, Nicola Roxon		often they have different exposures and different sectors that you can access. We're seeing a lot of really innovative technology companies staying private for longer. So it's an interesting way to access some of those early growth and continuing growing companies through that channel. There's also companies that we won't invest in. We have exclusions, portfolio-wide exclusions as well as specific options for Sustainable Growth exclusions. So, for example, tobacco companies we will not invest in. And if you're interested in our exclusions, you can jump onto our website and have a read of our **Investment Choices** booklet. They're all outlined in there. Hopefully, that's helpful. I think Sonya's just proving what I was saying earlier about why having expertise, dedicated people, a team working full time on making those choices is so valuable for members because it's actually a really hard thing to do. And we need experts to look across the whole market, the whole globe, that listed, unlisted infrastructure, cash. It's complex and we're really lucky to have Sonya and a really expert team help navigate that. And hopefully, that quick answer from Sonya just gave a taste of how complex it is and why members get value out of pooling their money together and having that expert assessment of where we can get the best returns.
Chief Executive Officer, Debby Blakey	**Hi Sam, My question is about hardship release and the process for accessing it and your thoughts about creating a limit for people so they don't impulsively use their super. Is this ethical? Lots of low income folk use.** **Can redeem part of my superannuation to pay my child's school fees in time of financial difficulties.**	I do want to acknowledge the cost –of living pressures that many of our members are experiencing. And you've heard this referenced in a few of the presentations tonight. But we've seen significant increase in the cost –of living index over the last year and many of our members are experiencing those pressures. I do want to acknowledge that. And we are very thoughtful about how we can support our members through this time. So, there are provisions that members can access their super early for financial hardship reasons. I do want to be clear, the eligibility requirements are fairly tough and fairly stringent. I would encourage you to have a look on our website at those eligibility requirements. And I want to be really clear, HESTA does not set those. Those are actually set by regulation and our role at HESTA is obviously to make sure we comply with those.

		We have realised there's a tremendous need for our members seeking help, seeking support. Some members have actually qualified to access their super early for financial hardship reasons, but we also have many who haven't qualified. One of the things we've done is partner with Infoxchange on a service called Ask Izzy. It gives our members access to over 430,000 service providers who can help you in terms of whatever it is that you need right now for support. And it's wonderful. If you go through our website, you can see all of the different categories. You can enter in your postcode and you can actually see what services are available to you in your area where you live. So we really would encourage any members experiencing difficulties or those cost of living pressures to have a look at that Ask Izzy service. **You may also find the below extra information useful:** Generally you need to wait until retirement to access your super, but members can face tough circumstances, and sometimes (if people really need it) our super system rightly makes provision for financial hardship. **For those experiencing financial hardship, there are two options:** 1. Apply for a one-off payment with a limit of $10,000 gross (before tax) in a 12-month period. Applicants must have received eligible Commonwealth Government income support payments for at least 26 continuous weeks, be currently receiving these payments, and be unable to meet reasonable and immediate living expenses. 2. Apply for any amount, but applicants must have reached their preservation age plus 39 weeks. They also must have received eligible Commonwealth Government income support payments for at least 39 cumulative weeks since reaching their preservation age, and are currently either unemployed, or employed for less than 10 hours a week.
Chief Investment Officer, Sonya Sawtell-Rickson	**Is HESTA able to commit to ensuring that member funds are not being used to commit genocide against the palestinian people?**	I know it's on all our minds at the moment. And look, I'd like to start by really acknowledging all those affected by the conflict and the humanitarian crisis that's evolving. I know it's affecting members of our community, members of our teams, and our

	Does HESTA support Israel? **Does HESTA invest in Israel or Israeli companies or companies support Israel? In the case that HESTA support Israel, I need to withdraw my account, what is the process of closing my HESTA account?** **I understand that Hesta has divested from some objectionable companies in the past. Will there be a member survey to determine a firmer stance on divestment from all Israeli companies involved in ethnic cleansing?**	thoughts go out to all the individuals and families that are affected. We, obviously, with everybody, call for peace as soon as possible. From a portfolio perspective, we have a number of exclusions related to these areas. We have a portfolio-wide exclusion that links to any company that is involved in the manufacture of whole weapon systems or components of systems that are related to exclusive use for controversial weapons. Our definition of controversial weapons includes things like cluster munitions, it includes anti-personnel mines, and it includes chemical and biological weapons. Our Sustainable Growth option also has additional exclusions related to weapons, military weapons and retail weapons and production, where a company has more than 5% revenue associated with those things. In terms of our actual financial exposure to the region the market is actually quite small, so our actual portfolio exposure to Israel is about 0.06%, so very, very small*. And a lot of those companies are, global companies. It’s an area that's rapidly evolving and we're continuing to monitor closely. **You may also find the below extra information useful:** HESTA does not apply exclusions to companies operating or involved in business in Israel or the Palestinian Territories. We know from speaking with our members that eight in 10 members find it important that we invest responsibly. Further, we survey members regularly – every two years – to ensure our Responsible Investment approach is informed by members’ preferences. We always encourage members to seek professional advice before making any financial decision, as there are other considerations such as insurance cover or fees which may impact a decision to change funds. For more information on transferring or consolidating your super to a non-HESTA account, we recommend visiting the **ATO website** which covers this in detail. More information about our investment exclusions within our Sustainable Growth option can be found on our **website**. * As at February 2024.

Chief Executive Officer, Debby Blakey	**As Heath Minister, Ms Roxon introduced plain packaging on cigarettes due to the harms, how does she square Hesta's investment in gambling companies given the immense harms to gamblers, their families and the community.**	That is a complex question and I'll just start by acknowledging that many of our members who work in the community do see firsthand the impacts of something like gambling. And see the impact, as the question has called out, not only on individuals but on families. So I do want to acknowledge that, in the incredible work that our members do providing support in the community. In terms of HESTA's approach, I'm going to speak to two aspects. And the first is actually government engagement because we do believe the government has a very important role in terms of gambling. And we have engaged and written to every state, territory, and the Federal Government on this and essentially focused on two areas. And firstly, we would love to see a national regulator in terms of gambling. And second of all, we are supportive of some work that the Federal Government has led regarding regulation around advertising for online gambling. So we would love to support that process and some changes in those areas. But the other area for us is how we engage with the companies that do have exposure to some aspects of gambling. And we do that very actively, just to pick up on what Sonya has said about our active ownership approach. We do it directly and we do it through the Australian Council of Superannuation Investors. And have engaged over the last year with all of those companies and sought to understand what it is that they're doing about harm and what are their practises to support the community. So that's what we're seeking to understand through that engagement. For any member who is concerned about their superannuation being invested and exposed to gambling companies, you have an option at HESTA — because our Sustainable Growth option does have a restriction in this space. And any companies that derive 5% or more of their revenue from the licencing, operations, or provision of services or products to gambling are actually restricted from that Sustainable Growth portfolio. You may want to seek advice on this issue, but I would encourage you to have a look at the **Product Disclosure Statement** and have a look at the information available on our website.

		You may also find the below extra information useful: More information about investment exclusions within our Sustainable Growth option can be found in our **Investment Choices** booklet.
Chief Engagement Officer, Josh Parisotto	**Once I reach 60 and I'm not working anymore, will I still have to pay tax on my super withdrawals?**	Tax can be complicated at the best of times, especially when you're moving from accumulation to pension phase. But the good news is, when you reach age 60 which is one of the preservation ages and a condition of release — meaning that you don't work anymore, not looking to work anymore — you actually get access to your superannuation tax-free. So you won't be paying tax on drawing money out of superannuation, which is really advantageous and really important to understand the differences when you're moving from accumulation to pension. A benefit of being a HESTA member is you get access to a lot of help and guidance material either via Future Planner or speaking to one of our super advisors anywhere in the country that will support you on this journey. When you reach these two key milestones — age 60 and you cease work — you can draw your money out tax-free, which is really fantastic.
Chief Executive Officer, Debby Blakey	**How much does HESTA have invested in renewable energy?**	I'm going to start and just give it a bit of context first. We actually have a target around investments. So a target of 10% of the portfolio invested in climate solutions by 2030. And as of the end of June 2023, it was 7.8% of the portfolio invested in those climate solutions. So just to be clear, that covers renewables, it covers sustainable property, and other investments in that climate solution space.

All other Annual Member Meeting questions and responses

RESPONSIBLE INVESTMENT	
Question	**Response**
Has HESTA assessed the physical & transitional risks posed by menthane on the fund & member retirement outcomes, considered the opportunity that methane abatement technologies could keep 1.5 degree in reach?	Great question! We love receiving the insights from our members engaged on issues like this. Scenario analysis helps us to understand the implications of climate change for our portfolio and enables us to enhance our strategic thinking and management of climate-related risks. We undertake scenario analysis reflecting physical and transition risk associated with all major greenhouse gases (GHGs), and our emissions reduction targets also includes all major GHGs. You can find more information on our approach to managing climate-related risks in our Climate Change Report available **here**.
Anglo American and Glencore vastly underreported methane emissions expose us to transition risk. Have you spoken to Anglo/Glencore about joining the Steel Methane Pledge & cutting methane emissions?	As a large asset owner with a diversified global investment portfolio, we are invested in over 2,800 companies around the world. To provide breadth to our active ownership program we work with a specialist service provider to undertake engagement with companies held in our international equities portfolio. Through our service provider, engagement with Glencore has focused on climate targets and strategy, while for Anglo American, reduction of methane emissions has been an engagement priority. We have encouraged other companies within the sector to commit to the Global Methane Pledge and will seek to raise the Global Methane Pledge in future engagement with Glencore and Anglo American.
As a fiduciary duty to health worker members, how does HESTA propose to escalate influence on companies that are significant contributors to global warming, in particular Woodside and Santos? **Other than private meetings and voting at Annual General Meetings, what else can HESTA do to put pressure on companies who don't want to reduce their emissions?**	We understand that some members may be concerned that a portion of their super is invested in companies whose activities have contributed to environmental harm. Selling shares in high-emitting companies without first attempting to change company behaviour does little to mitigate the broader, system level risk of climate change. If we simply default to divestment from all companies in emissions-intensive sectors, we lose our ability to exert influence, effectively our 'seat at the table'. Instead, we risk transferring the responsibility to other shareholders who may not be as concerned with supporting greater action on climate change.

Can you please state your timeframe to divest from investment in Woodside and Santos? Can you also please assure me that my money is not being used for seismic blasting or gas exploration in Ningaloo or elsewhere? **Will you keep supporting Woodside & Santos?** **Woodside's Burrup Hub, which would be the largest gas hub in the Southern Hemisphere, will worsen greenhouse emissions this decade. What is HESTA doing to stop our money being wasted on new gas projects?** **Dutch pension fund PF2W has divested from a number of oil & gas companies. When will HESTA call for Woodside & Santos to stop investing in oil & gas growth? When will HESTA divest if these companies don't respond?** **What is HESTA doing to divest from companies involved in fossil fuels and environmentally questionable business?** **What is HESTA doing to specifically address Climate Change particularly regarding the renewal of Board Members particularly Richard Goyder?**	By remaining invested, we can actively engage with companies to influence their behaviour. HESTA has been engaging with emissions-intensive companies for several years through both direct and collaborative programs. Our engagement has contributed to influencing high-emitting companies to elevate their decarbonisation ambitions in recent years. HESTA has developed an escalation framework and regularly assesses the transition progress of high-emitting portfolio companies. If we are concerned by any gaps between portfolio company commitments and actions to transition their businesses toward alignment with Paris Agreement goals, we may escalate the company to a watchlist position. We subject watchlist companies to closer engagement and monitoring. The escalation framework also considers the use of one or more escalation tools including consideration of divestment, where HESTA considers there is inadequate evidence of progress to address risks, and where we determine this to be in our members' best financial interests. We have more information about the escalation framework in our **2023 Climate Change report**. As highlighted in tonight's presentation, Woodside and Santos remain on our watchlist. This reflects our heightened concern about the disparities between those companies' strategies and a 1.5ºC transition pathway. Engagement continues with a particular focus on capital expenditure and board skills. Progress through the escalation framework is responsive to engagement and/or any new information and may not be sequential. In an area as dynamic as climate change, we believe that it is important to retain our discretion to allow us to select the appropriate combination of activities within our escalation framework at any given time, in the best financial interests of all our members.
When I join HESTA over 15 years ago I chose to put 80% of my funds in eco investments. Is that program still running? Are my funds being invested in fossil fuels?	We can confirm this option is still running. The option was renamed 'Sustainable Growth' in 2020. And in 2022, was certified by the Responsible Investment Association Australasia (RIAA) under the Responsible Investment Certification Program[1].

[1] The Responsible Investment Association Australasia's (RIAA) Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that Sustainable Growth adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product. The Certification Symbol is a Trademark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Sustainable Growth's methodology, performance and stock holdings can be found at www.responsiblereturns.com.au, together with details about other responsible investment products certified by RIAA. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

	This option applies exclusions to investment in companies that: • derive any revenue from the mining or exploration of thermal coal or the extraction, production, refining of conventional and unconventional oil and gas, or; has any total volume proved and probable reserves of thermal coal and metallurgical coal; or has any total volume of proved reserves of oil and gas[2]; • derive 15% or more revenue from the generation of electricity from fossil fuels or transportation, distribution or retailing of conventional and unconventional oil and gas[2]; or • derive 15% or more revenue from equipment and services for the exploration and production of conventional and unconventional oil and gas[2]; or • derive 50% or more revenue from indirect services to the fossil fuel sector. For example, the provision of specific materials, contracted services and transportation[2]. We have more information about Sustainable Growth and the exclusions the option applies in our **Investment Choices booklet**.
When will HESTA divest from harmful companies that are destroying the planet (Woodside, fossil fuel companies etc.) and destroying people (weapons manufactures and Israeli settlements)	We appreciate your feedback on these issues. As Sonya explained in her presentation, active ownership plays an important role in HESTA's management of systemic risks. In addressing the first part of your question, HESTA considers climate change a global systemic challenge, where climate-related risks exist across the whole economy. We firmly believe that divestment alone will not protect our members from climate-related risks. Selling shares in high-emitting companies without first attempting to change company behaviour does little to mitigate the broader, system level risk of climate change. If we simply default to divestment from all companies in emissions-intensive sectors, we lose our ability to exert influence - our 'seat at the table'. Instead, we risk transferring the responsibility to other shareholders who may not be as concerned with supporting greater action on climate change. HESTA has an escalation framework and regularly assesses the transition progress of high-emitting

[2] Transitioning companies - companies that are indirectly involved in the fossil fuel sector may be permitted for investment where they can demonstrate a clear climate change transition path aligned to the Paris Agreement (through 10% or more revenue derived from renewable energy generation and either a Science-Based Target or Transition Pathway Initiative score of 2°C and below). The option currently holds a very limited number of companies within the private equity asset class that generate >50% of their revenue from the provision of services to the oil and gas sector. Due to the illiquid nature of these investments, these will be retained within the option until July 2024, by which date they will be exited.

	portfolio companies. If we are concerned by any gaps between portfolio company commitments and actions to transition their businesses toward alignment with Paris Agreement goals, we may escalate the company to a watchlist position. We subject watchlist companies to closer engagement and monitoring. The escalation framework also considers the use of one or more escalation tools including consideration of divestment, where HESTA considers there is inadequate evidence of progress to address risks, and where we determine this to be in the best financial interests of our members. In relation to the second part of this question, we are mindful of the impact the ongoing conflict in the Middle East is having on many of our members. It is a complex and challenging situation, and we hope that your loved ones in the region are safe, for those affected. HESTA's investment options are covered by portfolio-wide restrictions that exclude investment in any company that manufactures whole weapon systems or components developed for exclusive use in cluster munitions, anti-personnel mines, biological or chemical weapons. In addition, the Sustainable Growth investment option does not invest in companies that derive 5% or more revenue from military weapons production, civilian firearms production or retailing.
What is the percentage that HESTA invests in gambling stock in the conservative portfolio? Will HESTA divest from gambling stock? **Has HESTA investments with gambling interests?**	At a whole of fund level, HESTA invests across many industries and does not apply a formal policy regarding gambling companies, which means that our portfolio does include some investment in companies in the gambling sector. This includes HESTA's Conservative option which has revenue-apportioned portfolio exposure of 0.18% to gambling-linked activities[3]. HESTA offers its members the Sustainable Growth option that excludes investments in companies that derive more than 5% of their revenue from the operation, licensing and provision of key services related to gambling operations. You can find out more about Sustainable Growth **here**.
How much does HESTA invest in fossil fuels? When will it move away from these investments?	We appreciate your concern regarding investors' holdings of fossil fuel companies' shares. With the portfolio positioned underweight to carbon-intensive sectors, our exposure to fossil fuels on a look-through basis has decreased to less than 4% of the portfolio – a reduction of 0.65% compared with FY22. We have further information about this exposure in our FY23 climate change update available **here**.

[3] As at 30 June 2023

	You can read more about our approach to managing climate-related risks in responses to questions raised above.
When will HESTA completely divest from all fossil fuel investments? It is killing our future. The tech exists to make changes now. HESTA has so much power to shape our future, we need HESTA to act to make a better future **Your path to Net Zero is too slow. We don’t have decades to end fossil fuel use. When will HESTA completely divest from fossil fuels?**	Thank you for your questions, and you raise some interesting points. We recognise that the role of oil and gas in the future is limited and will diminish over time. However, the International Energy Agency (IEA) expects oil and gas will play a critical role in the world economy during the global renewables roll out and until alternative technologies like hydrogen become commercial and available at scale[4]. Understanding the technology to wholly replace oil and gas is not readily available at commercial prices today, our focus is currently on driving down portfolio emissions that contribute to real world emissions and supporting the development of new technologies. That’s why we’re aiming to have 10% of the portfolio invested in climate solutions, like renewables and sustainable property, by 2030[5]. As at June 2023, HESTA had 7.8% of its portfolio invested in climate solutions. For example, through our investment in ReNu Energy HESTA has committed to invest up to $100 million in support of domestic green hydrogen projects – a cleaner form of hydrogen production. And, in 2022 we achieved our interim portfolio emissions reduction target of 33% in normalised emissions, eight years ahead of its original 2030 target. As a result, we’ve strengthened our 2030 interim target from 33% to 50% reduction in normalised portfolios, against the same 2020 baseline. We agree that HESTA has a role to play in the transition, and that’s why we continue to advocate for policy change that enables investors to allocate capital to the development of innovative technologies and businesses at the forefront of decarbonisation.
Woodside have done little to address our funds' concerns about Climate Change. With this in mind how does HESTA intend to vote on Richard Goyder's bid for re-election?	Decisions on voting are made by HESTA based on what we believe is in the best financial interests of our members. Woodside are yet to release their Notice of Meeting, so we are unable to provide an indication of how we’ll vote at their upcoming Annual General Meeting in April.

[4] **https://www.iea.org/reports/the-oil-and-gas-industry-in-energy-transitions**
[5] We measure progress towards this target through annual measurement of investments aligned with the United Nations Sustainable Development Goals (UN SDGs) 7, 11.6 and 13 according to the Sustainable Development Investments Asset Owner Platform (SDI AOP) Taxonomy. Please visit **https://www.sdi-aop.org/sdi-classification/** for more information

Will HESTA use its vote at Woodside and Santos to hold boards to account that are blocking and delaying the energy transition to renewable energy opening new coal, oil and gas projects?	When forming our voting decisions, we will take into account our active ownership priorities as well as the views expressed in dialogue with the company and consultation with our investment managers, proxy advisors, engagement service providers and other relevant stakeholders. HESTA discloses detailed reporting on share voting activities as required by legislation. You can view the most recent records **on our website here**. We also provide reporting on our responsible investment activities including share voting and engagement in our Annual Report, which can be found **on our website here**.
Can the watchlist be made public to members? Thanks	HESTA is committed to transparency in its management of climate-related risks and opportunities. We publicly announce when a company is placed on our watchlist and when a company is removed. Currently we have two companies on our watchlist, Santos and Woodside. We have previously removed Origin and AGL due to both companies' revising their strategies to be more aligned toward the goals of the Paris Agreement. We publicly report progress in implementing HESTA's Climate Change Transition Plan (CCTP) through our Climate Change Report and update. We have information about watchlist companies in the Climate Change Report available **here**.
Are we invested in Woodside petroleum?	We hold a position in Woodside that is underweight to that of the ASX300 benchmark. One of HESTA's key objectives through engagement with Woodside is to seek the transformation of their strategies to move toward alignment with a 1.5^{o} pathway. By remaining invested, we can continue to use our shareholding, our 'seat at the table', to help drive this transformation.
How ethical is the investment in HESTA's sustainable growth stream?	You may be familiar with the term 'responsible investment'. It's an approach to investing that considers environmental, social and governance (ESG) risks and opportunities in investment decision making and helps guide HESTA's responsibility as active owners of your retirement savings. Rather than considering a specific set of values when approaching investment decisions, we incorporate responsible investment factors into our investment decision-making. The aim is to seek to effectively manage risks and opportunities, efficiently allocate capital, enhance company performance and generate strong long-term returns for our members. You can find out more information about what types of factors we consider in our Responsible Investment Policy **here**.

	Our investment approach to **Sustainable Growth** is a little more specific in its objectives, in that the option seeks to avoid exposure to particular activities and tilt investment towards companies with assets or activities aligned with one or more of the UN Sustainable Development Goals (SDGs). In 2020, we conducted detailed member research, and we've used the results of this research to inform the design of the option. This is one of the reasons why Sustainable Growth has a broader range of restrictions and exclusions than HESTA's other investment options. These exclusions are related to issues such as fossil fuels, tobacco, uranium mining, controversial weapons, nuclear weapons, asylum seeker detention, human and labour rights, gambling, palm oil, and live animal exports. For most of the activities we apply exclusions to, revenue thresholds apply – you can read about these in our **Investment Choices booklet**. The option applies a select range of exclusions to ensure appropriate levels of investment diversification and risk.
Do HESTA Invest in Israel and Israeli companies? **HESTA invests in weapons manufacturers that are developing weapons used to kill and traumatise people in Palestine. 301 members have signed a petition to demand that HESTA divests. How does the panel respond?** **If HESTA is not willing to stop investing in Israel, I need to withdraw my money, I need to know how?** **If HESTA invest in Israel, are willing to cease your investments based on ethical ground. Not to complicit with genocide that happens in Gaza against Palestinian people?** **Will you please divest from weapons manufacturers that are instrumental to the current genocide in Gaza?**	We acknowledge all those affected by the conflict and the humanitarian crisis that's evolving. We know it's affecting members of our community, members of our teams, and our thoughts go out to all the individuals and families that are affected. From a portfolio perspective, we have a number of exclusions related to these areas. We have a portfolio-wide exclusion excluding investment in any company that is involved in the manufacture of whole weapon systems or components developed for exclusive use in cluster munitions, anti-personnel mines, chemical and biological weapons. Our Sustainable Growth option has additional exclusions related to weapons. It does not invest in companies that derive 5% or more revenue from military weapons production, civilian firearm production or retailing. There is more information on these exclusions in **HESTA's Investment Choices** booklet. In terms of our exposure to the region, it's only a very small percentage of our international portfolio. Our portfolio exposure to companies traded on the Tel Aviv Stock Exchange and to Israeli bonds is about 0.06%[6]. It's an area that's rapidly evolving and we're continuing to monitor closely. **Additional information:**

[6] As at February 2024

As a member I would like to know if my money is going towards any type of weapons manufacturing and specifically contributing to genocide of Palestinian people in Gaza? If so will you divest? If not I will change super. **How can HESTA brand itself as caring for health and community, when it is using the superannuation of its members to invest in weapons companies damaging the health and community of people in other parts of the world?** **Will the Trustee provide members with sufficient information on fund investments to enable us to place our funds so they do not support or profit from Israel's genocidal assault on Gaza?** **I am deeply concerned re: investment in weapons manufacturers whose product is used to harm civilians and our health care colleagues overseas. Will you commit to not investing in these companies moving forward?**	We always encourage members to seek professional advice before making any financial decision, as there are other considerations such as insurance cover or fees which may impact a decision to change funds. For more information on transferring or consolidating your super to a non-HESTA account, we recommend visiting the **ATO website** which covers this in detail.
I am extremely concerned regarding HESTA's investment in the weapons manufacturer Elbit Systems Ltd and other holdings tied to Israel's war on Gaza, is there any plan to divest? If not I plan to move my super from HESTA.	Thanks for your question and please be assured that we share your concerns related to the ongoing conflict. As outlined by our Chief Investment Officer at the Annual Member Meeting, part of our approach to investing is to monitor and assess geopolitical events, risks and their potential impacts on our portfolio. While we had a small holding reflected in our 30 June 2023 portfolio holdings disclosure, Elbit Systems is no longer held in the portfolio. The change in this holding will be reflected on the website in the next portfolio holdings update for the period ending 31 December 2023, published in March 2024.

INVESTMENTS (GENERAL)	
Hi HESTA, What is your strategy when the shares prices fluctuate locally and internationally?	Rest assured, HESTA actively manages the portfolio throughout every stage of the market cycle. Our dynamic asset allocation process allows us to respond to emerging risks and take advantage of opportunities to add investment value. We also continue to actively seek opportunities that can both deliver strong long-term returns and accelerate our contribution to a more sustainable world. Portfolio diversification is another way we help reduce volatility risk. Having a broad mix of assets can help the portfolio withstand fluctuations. Diversification is a cornerstone of HESTA's total portfolio approach and a key factor in maintaining resiliency in the face of market volatility.
Best to investing 50 % Conservative and 50 % Balanced Growth while having an Income Stream account in the next 2-5 years ?	Any investment advice should take into consideration your own specific circumstances and come from an expert. Our **Retirement Hub** can help you with super and retirement planning related to your HESTA account, to help you feel ready and excited for your next chapter. From maximising your potential Centrelink entitlements to drawing on your super to live the life you want, we're here to support you. However, we strongly recommend speaking with our super experts to assist with investment decisions. They can provide advice on HESTA products and discuss whether you might benefit from full advice. You can book an appointment with one of our super experts **here**.
You say balanced growth had 9.95% returns with only 0.48% fees. How come my super balance grows by barely more than the amount of my contributions? Where does all the money go?	Firstly, everything we do at HESTA is to improve our members' retirement outcomes and help them face the future with confidence. The FY 2022-23 return figure given during the Annual Members Meeting was 9.59% for the Balanced Growth Accumulation option. The returns are net of investment fees and costs, transaction costs and taxes. Account specific returns will vary to the option return for reasons including the investment option(s) selected, contribution timing, time periods and selection of insurance and other services/costs deducted directly from the account. However, as Sonya mentioned during the meeting, what is most important for your retirement is to be invested for the long term.

	As for fees, running a fund inescapably incurs expenses, but we aim to keep our fees and costs as low as possible. We regularly review these and benchmark them against other funds to ensure they remain appropriate, while allowing us to provide the services, benefits, information and care our members expect. We strongly recommend speaking with one of our super experts who can help make sure your HESTA super is working in the most appropriate way for you. You can book an appointment with one of our super experts **here**.
ATO website shows AustralianSuper return of 7.59% over 9 yrs compared to HESTA's return of 6.98%. Please explain this difference.	As mentioned during the Annual Member Meeting, differences in asset allocation and strategies can result in differences in performance. That said, HESTA Ready-Made investment options have performed favourably compared to their investment objectives and peer median. SuperRatings has also awarded us the highest rating (Platinum) for our MySuper option for 2024, and we were one of the first funds to receive SuperRatings' 20-year platinum performance rating – the highest rating possible.[7] Strong returns are important, but only one part of the super picture. We'd also encourage you to consider the net benefit you receive, as that's a good way to assess value for money. The net benefit is your investment earnings after any fees, costs and taxes have been taken out, and shows what returns you've earned on your super - calculated based on historical returns. HESTA was awarded the **SuperRatings Net Benefit award** 2021, 2022 and 2024 recognising the value we deliver to members[8].

[7] Ratings are published by SuperRatings Pty Ltd ABN 95 100 192 283 AFSL 311880 (SuperRatings). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. HESTA was awarded the SuperRatings 20 year Platinum Performance 2004-2024 rating for the HESTA Industry Super Plan and HESTA Personal Super Plan products only. Past performance information is not indicative of future performance. Ratings are subject to change without notice and SuperRatings assumes no obligation to update. SuperRatings uses objective criteria and receives a fee for publishing awards.
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[8] Investment outcomes may go up or down. Past performance is not a reliable indicator of future performance. Product ratings and awards are only one factor to be considered when making a decision. See **superfundoftheyear.com.au** for more information.

Some years ago you merged the "private equity" and "infrastructure" investment segments with other broader options. What was the reason for merging these investment options?	In October 2020, we went through the process of simplifying our investment offering. We settled on a model of five Ready-Made options and five Your-Choice options, mirrored across our Accumulation, Transition to Retirement and Retirement Income Stream products. We felt this approach provided our members with the best opportunity to select a range of investments to suit their investment strategy, while also ensuring the HESTA investment team could better concentrate their expertise on a more focused set of choices for members, with the ultimate member outcome in mind of higher investment returns and lower fees. Regarding the Property and Infrastructure option, we decided to close the Infrastructure option and merge it with the Property option. This was to allow members to retain a dedicated exposure to unlisted assets with broadly consistent characteristics in a more diversified portfolio. Similarly, the Private Equity investment option was closed and allocated to High Growth. The Private Equity option and High Growth option had very similar growth/defensive weightings and, likewise, similar risk profiles. So by merging the Private Equity option into the High Growth option, we are able to offer members a more diversified investment option with similar risk characteristics.
Is HESTA engaged in the use of an artificial intelligence protocol? **If so, are you able to indicate what sort of policies are in place to manage investments driven by 'AI'?**	Yes, we're starting to make use of AI within multiple areas of the business, covering machine learning, segmentation, predictive analytics, investment analysis and chat. Above all, we want to ensure any use of AI is ethical and appropriate. That's why we're examining inherent biases within these models and developing frameworks to govern their application. The Investment Management team has also developed machine learning and neural network models for forecasting. These models are based on economic and financial data, not on Large Language Models like ChatGPT, and are still in the development phase. They are not driving investment decisions. Some of the outputs have prompted us to review some assumptions we are currently making, but all investment decisions are made by our people, who follow our Investment Governance Framework. We'll continue to use AI responsibly within our business and pilot new forms of AI to determine where they can add the most value and generate efficiencies for HESTA, that will ultimately benefit you, our members.

Why should a HESTA member stay with HESTA rather than roll funds into a self managed super fund in order to receive the benefits of dividend franking credits?	HESTA or an SMSF? It's a popular question, and because we exist for our members, we feel it's a decision you should make with full knowledge of the benefits and risks. From managing administration costs and risks to compliance with super law, it takes a lot of time, knowledge and money to run a successful super fund. And that includes SMSFs. Here's what the Australian Securities and Investments Commission's (ASIC) **MoneySmart website** says on this topic: "While having control over your own super can be appealing, it's a lot of work and comes with risk. Only set up your own super fund if you're 100% committed and understand what's involved."[9] For a more detailed comparison, you can have a **look here**. We strongly recommend speaking with one of our super experts who can help make sure your HESTA super is working in the most appropriate way for you. You can book an appointment with one of our super experts **here**.
I believe Debby Blakey said Balanced Growth performance over 1 year and 10 years was 9.59% and 8.02 % respectively. On website I see 8.15% ad 7.61%. Please help me to understand this.	Yes, during the Annual Member Meeting, Debby quoted HESTA's Balanced Growth returns for the 2022-23 financial year, which ended on 30 June 2023[10]. The returns you mention, published on our website in February 2024 are "Returns to 31 January 2024" – the periods covered differ by seven months, accounting for any performance differences. We update performance data each month **here** – so please note, depending on when you're reading this, the performance data published may look different again.
PRODUCT	
Is there a reason term deposits are not available?	While we don't offer term deposits directly at the moment, we really do value our members' feedback and regularly review our investment product offerings to see how we can continuously improve our offerings. At present, we offer members **a range of ten investment options in our Income Stream product** to suit their needs. This includes a Cash and Term Deposits option which invests in a range of bank deposits and other short-dated term deposits. We also

[9] Sourced 28 Feb 2024 **https://moneysmart.gov.au/how-super-works/self-managed-super-funds-smsf**
[10] HESTA Historical Performance Data as at 30 June 2023 can be found here: **https://www.hesta.com.au/content/dam/hesta/Documents/historical-performance-as-at-30-june.pdf**

	offer a Ready-Made option which invests in a range of mainly debt and cash, with some exposure to shares, alternatives, property and infrastructure. To assist with investment decisions, we recommend speaking with our super experts who can provide advice on HESTA products and discuss whether you might benefit from full advice. You can book an appointment with one of our super experts **here**.
Is HESTA looking at broadening their Retirement Income product offerings in line with the recent Retirement Income Review? The current offerings are quite limiting and are not that flexible.	At HESTA we design our products and services with the needs of our members front of mind. Helping our members to face the future with confidence is one of our core values, and our aim is to help you be better placed to take individual actions that will help maximise your retirement. We want to guide you to build your financial confidence and capability. We recently responded to **Treasury's Retirement phase of superannuation discussion paper**, and have called on the government to better support members in retirement. In our **submission** we outline the need for funds to be able to establish an automatic default into retirement income stream products. There are barriers to members establishing and maintaining a retirement income stream product and we believe these barriers should be removed. We also call for the establishment of an industry working group to recommend solutions to address the difficulties faced by members (including First Nations members) in providing proof of identity. And difficulties with topping up retirement income streams require solutions. **Further recommendations in our submission include:** • supporting funds to provide more meaningful help, information and nudges to members • addressing inequities within the superannuation system, including the gender retirement gap.
ATO website shows AustralianSuper's total annual fee is $3480 compared to HESTA's annual fee of $4443. Please explain why there is this difference with inferior performance?	We understand that fees and costs are a consideration when choosing a super fund. We aim to keep our fees and costs as low as possible, while allowing us to provide the services, benefits, information and care our members expect. As Nicola mentioned in the Q&A on the night, as funds become bigger we're more able to provide services at lower unit costs per member. And we regularly review

	our fees and benchmark them against other funds to ensure they remain appropriate. However it's worth noting that not all funds offer exactly the same products and services and it's important to assess the differences between products and services when comparing super funds and the associated fees and costs. We'd encourage you to consider the net benefit you receive, as that's a good way to assess value for money. The net benefit is your investment earnings after fees, costs and taxes have been taken out, and shows what returns you've earned on your super. HESTA was awarded the **SuperRatings Net Benefit award** in 2021, 2022 and 2024 recognising the value we deliver to members[11].
SUPERANNUATION (GENERAL)	
How do you access your super after you are 65, the procedure? **Can you put those funds towards purchasing a house?** **Any interest on accessing super at 65?** **Can you still work full time after?**	One of the first things to understand about accessing your super is the government's preservation rules. One rule is that you can't touch any contributions and investment earnings added to your super until certain conditions are met. For more information on this, have a read of our **'Accessing your super'** page on our website and the Australian Tax Office's **Super withdrawal options** information. When you reach 65 years old, you can access your super as a lump sum, as an Income Stream, or a combination of the two, regardless of whether you continue to work or have stopped working. It's quick and easy to open an Income Stream account, or request a lump-sum withdrawal, through your online account. The funds released are paid into your bank account for you to use as you wish. It's worth noting that no tax is payable on funds released from super after you reach age 60. We strongly recommend speaking with one of our super experts who can help make sure your HESTA super is working in the most appropriate way for you. You can book an appointment with one of our super experts **here**.
Is death tax applicable to superannuation funds which have a "Binding Nomination" to estate?	As this can be a complex issue, we recommend you seek legal and tax advice regarding your beneficiary nomination.

[11] Investment outcomes may go up or down. Past performance is not a reliable indicator of future performance. Product ratings and awards are only one factor to be considered when making a decision. See **superfundoftheyear.com.au** for more information.

	The tax payable on death benefits depends on a number of factors including, but not limited to: the taxable components within the super fund; the nature of the death benefit (i.e. whether the benefit is paid as a lump sum or an income stream); and whether the funds are distributed to a 'dependant' or a 'non-dependant'. If a lump sum death benefit is paid to a dependant, either directly from super or through an estate, no tax may be payable. If a lump sum death benefit is paid to a non-dependant directly from the super fund, the taxable component of the lump sum may be taxed at 15% plus Medicare Levy. If paid to an estate, the executor or the administrator must deduct tax from the taxable component of the lump sum before paying the benefit to the beneficiary. The Medicare Levy is not payable when the death benefit is paid from the deceased estate to a non-dependant. More information on this can be found in our **Income Stream Product Disclosure Statement**, on p41.
What is the role of my super in applying a Pension payment?	To understand how your super and the Age Pension can work together, it's a good idea to talk with a professional. The type of super account, and when it was started, may impact how your benefit is treated by the government in the assessment of your Age Pension eligibility. This is a complex area that requires your full personal circumstances to be considered. We'd recommend speaking with one of our super experts who can help make sure your HESTA super is working in the most appropriate way for you. You can book an appointment with one of our super experts **here**.
The HESTA web site does not seem to have kept pace with the needs of its Members. It is difficult to access with limited functionality. When will HESTA invest in the upgrading of this critical medium?	We're really sorry to hear your experience online hasn't been what you expect from HESTA. As Sam mentioned in his presentation, we know through our member research, that many of you prefer using HESTA's digital services. And that is why we've continued to invest in our digital capability to build faster, smarter and more personalised online solutions for our members. We work with our members and digital experts to try to ensure our website can provide a great experience for you, and so we'd love to hear more about how we can improve. Please do chat with us so we can keep improving the way we support our members. You can get in touch via the **Contact us page** of our website.

Can I know if there is plan to reduce the time required to reflect to change the plan?	If you are referring to the time it takes to reflect a change of investment option (for example, if you have chosen to switch from the Balanced Growth investment option to the Conservative investment option) then this will, in most cases, be applied to your account two business days after we receive your request.* Daily switching is available to HESTA members at no extra cost. You can find more information about how daily switching works in our **Investment Choices** booklet. To assist with your investment decisions, we strongly recommend speaking with one of our super experts who can provide advice on HESTA products and help you work out suitable investment strategies. You can book an appointment with one of our super experts **here**. **Valid investment switches received by 4pm AEST/AEDT on a business day**, in most cases, will be applied to your account two business days after we receive your request and have calculated the unit price to apply to your investment switch. Any valid investment switch request received after 4pm AEST/AEDT or on a non-business day will be treated as being received the next business day.* *Valid investment switch requests received by 4pm AEST/AEDT on a business day will receive the unit price calculated at the close of that business day. It takes up to two business days to collate valuation data and reflect this in unit prices to apply to your investment switch.* ***Weekends and weekdays that fall on a National public holiday and the King's birthday (VIC/NSW) when the Australian Stock Exchange (ASX) is closed are non-business days.*
Why there is an age limit for contribution to super?	Regardless of your age, we as super funds accept compulsory employer contributions into your super account. However, once your turn 75 years old, you can no longer make personal contributions into your account – a rule set out by the Federal Government. You can find out more on the **Australian Tax Office** website. One thing to remember is downsizing your home could help you upsize your super savings at this stage of life. If you're 55 or over and ready to downsize, you could be eligible to add up to $300,000 to your super from the sale of your home. There are certain eligibility criteria you need to meet, which you can read more about **here**.

Does HESTA assist nurses, who want to leave the nursing workforce to pay one year rent for a shop with their super to start a business?	Super is your savings for your retirement, so there are some rules around when you can access it. One of the first things to understand about accessing your super is the government's preservation rules. One rule is that you can't touch any contributions and investment earnings added to your super until certain conditions are met. For more information on this, have a read of our **'Accessing your super'** page on our website and the Australian Tax Office's **Super withdrawal options** information. We strongly recommend speaking with one of our super experts who can help make sure your HESTA super is working in the most appropriate way for you. You can book an appointment with one of our super experts **here**.
How can I withdraw my super?	Super is your savings for your future, so there are some rules around when you can access it. Generally you need to wait until retirement (after reaching your relevant **'preservation age'**, the age at which you can start accessing your super). One of the government's preservation rules is that you can't touch any contributions and investment earnings added to your super until certain conditions are met. For more information on this, have a read of our **'Accessing your super'** page on our website and the Australian Tax Office's **Super withdrawal options** information. Noting that at retirement, you can access your super by opening a HESTA Income Stream account or through a lump-sum withdrawal. It's quick and easy to open an Income Stream account or request a lump-sum withdrawal through your **online account**. We know first-hand that our members can face tough circumstances, and sometimes (if you really need it) our super system rightly makes provision for financial hardship, and the early release of super on compassionate grounds (such as ill health or terminal illness). We strongly recommend speaking with one of our super experts who can help you make sure your HESTA super is working in the most appropriate way for you. You can book an appointment with one of our super experts **here**.

What are the pros and cons of start an account-based pension versus interesting outside super.	We strongly recommend seeking financial advice to ensure your retirement savings are supporting you when you are no longer working. Our super experts can help ensure your HESTA super is working in the most appropriate way for you, and they can discuss with you whether you might benefit from full financial advice. You can book an appointment with one of our super experts **here**. For pros and cons of an account-based pension, this **Moneysmart.gov.au** page may be helpful, and **this information from the Australian Tax Office** on retirement withdrawals may be useful too. **Benefits of HESTA's income stream – which is an account-based pension – include:** - It pays you a regular income – tax-free if you're over 60 – while your super stays invested. - You receive a regular income paid directly to your bank account. You choose how much and how often to be paid (within government limits). - You can either choose our HESTA Income Stream Ready-Made Strategy (designed to reduce risk over time), or create your own strategy – you invest your own way. - You can manage your account online - anytime, anywhere. - Retirement Income Stream investment earnings are tax-free. - You may be eligible for the **HESTA Retirement Reward** (a tax saving we want to pass on to you, if you're eligible, when you retire).
My question is how much do I get back if I leave Australia and go back to my country.	Super is your savings for your future, so there are some rules around when you can access it. Generally you need to wait until retirement (after reaching your relevant **'preservation age'**, the age at which you can start accessing your super). One of the first things to understand about accessing your super is the government's preservation rules. One rule is that you can't touch any contributions and investment earnings added to your super until certain conditions are met. For more information on this, have a read of our **'Accessing your super'** page on our website and the Australian Tax Office's Super withdrawal options information. If you're a temporary resident of Australia, you may be eligible to access your super when you leave Australia – this is called the Departing Australia superannuation payment (DASP). You can find out more information on this at the **Australian Tax Office website**.

	We strongly recommend speaking with one of our super experts who can help make sure your HESTA super is working in the most appropriate way for you. You can book an appointment with one of our super experts **here**.
Can I know if there is plan to bring back the mobile app?	We're pleased to say the new HESTA App is here! Launched in July 2023, the new app lets you access your super or income stream account from anywhere, with a PIN or biometrics like face recognition and fingerprint ID. **You can use the app to:** - check your balance - see when your super gets paid - edit your contact details - view your investment options - download your statements - get your BPAY® details to make after-tax super contributions - view your income stream payments (for Income Stream members). If you don't already have an online account, you'll need to register for online access before you download the app. You'll just need your member number, which you can find on emails, letters or statements we've sent you. To download the HESTA App, head to the **App Store** or **Google Play**.
Do HESTA for Mercy members receive the same member communications (eg about financial planning referral partners, educational seminars) as HESTA members?	We aim to share regular, relevant and personalised member communications with both HESTA and HESTA for Mercy members. Wherever possible, we align HESTA and HESTA for Mercy member communications, but because HESTA for Mercy are a separate product there are some instances where the service offering is different. With regards to referral partners, HESTA for Mercy members can access super and retirement advice from HESTA for Mercy. Where there's a need for more comprehensive advice, we can refer HESTA for Mercy members to one of our external financial advice partners – the same as we would for HESTA members.

	Regarding educational seminars, HESTA for Mercy members access their online account via a separate platform as the HESTA for Mercy product is managed by a different administrator to HESTA. This platform has access to different tools and services, and HESTA's education seminars are unfortunately not currently available to HESTA for Mercy members. This is because they include information on HESTA tools and services that are not yet available to HESTA for Mercy members.
Is it more beneficial to have my funds in a pension or accumulation account if I am still working part time? Is it age dependent?	We strongly recommend seeking financial advice to ensure your retirement savings are supporting you when you are no longer working. Financial advice can help ensure your HESTA super is working in the most appropriate way for you. Our super experts are located right across the country, you can book an appointment with one of our super experts **here**. Members can keep their HESTA Super account active for as long as they choose regardless of age, working arrangements or contribution frequency. If you're approaching retirement, you can have a read of **our website to understand your options** and how to transition into this new phase. You may also wish to use our Future Planner tool, accessible in your online account, which is a digital tool to help you plan your financial future, project your retirement income, work out your desired retirement lifestyle, and build a financial action plan.
Is the HESTA amount fixed or it varies?	If referring to fees and costs, you can find out more about this on our website **- check out the 'fees explained' section** or our **Fees and costs fact sheet (pdf)**. If referring to investment returns, you can head to **this page on our website** which shows how our investment options have performed historically, as well as providing a monthly and daily performance snapshot.
After what age am I legally not allowed to take out my super and travel with it to a different country (my home country) to fund my business	Super is your savings for your future, so there are some rules around when you can access it. Generally you need to wait until retirement (after reaching your relevant **'preservation age'**, the age at which you can start accessing your super). But we know first-hand that our members can face tough circumstances, and sometimes (if you really need it) our super system rightly makes provision for financial hardship, and the early release of super on compassionate grounds (such as ill health or terminal illness).

	One of the first things to understand about accessing your super is the government's preservation rules. One rule is that you can't touch any contributions and investment earnings added to your super until certain conditions are met. For more information on this, have a read of our **'Accessing your super'** page on our website and the Australian Tax Office's **Super withdrawal options** information. If you're a temporary resident of Australia, you may be eligible to access your super when you leave Australia – this is called the Departing Australia superannuation payment (DASP). You can find out more information on this at the **Australian Tax Office website**. We strongly recommend speaking with one of our super experts who can help make sure your HESTA super is working in the most appropriate way for you. You can book an appointment with one of our super experts **here**.
I want to process a name change as I recently legally changed my name.	We've recently introduced an online process for members wanting to change their name after they get married. In most cases, you can now submit your new details via your online account. All you need to do is log in to your online account then click on Profile and navigate to Change your name. You'll be asked to verify some personal details, provide your marriage certificate and then you can enter your married surname — and you're done! If you've recently legally changed your name for any reason other than marriage, e.g. divorce or gender affirmation, you can complete a **Change of Member Details form**.
INVESTMENTS (PERFORMANCE)	
Can you comment on Hesta performance in comparison with other funds, especially during last couple of rather difficult years?	Our super Balanced Growth option outperformed the peer median for balanced options in the 2022/23 financial year, achieving a 9.59 per cent annual return for FY22/23, affirming HESTA's position as a strong performer. We know difficult years can worry our members, but know your super is in safe hands. We are agile for the short term but know the impact that strong long-term performance can have on members' super savings. For HESTA super members, Balanced Growth has been ranked in the top 10 for investment performance against their respective peers over 1, 10 and 20 years to 31 December 2023.[12]

[12] Balanced Growth, Conservative and High Growth option rankings in the respective SuperRatings Accumulation Fund Crediting Rate Surveys October 2023. Sustainable Growth ranking in the SuperRatings Sustainable Fund Crediting Rate Survey

What company good to invest some my super that make sure it grow and safe. **What are best investment options that provide a good return with minimum risk.**	As a HESTA member, you can choose from a range of investment options, because as your needs and goals change, so should your super investment choices. You can find out more information about our investment options **here**. Our Ready-Made options make it easy to select an investment strategy to help fund the retirement lifestyle you deserve. If you want to design your own portfolio, the Your-Choice options let you choose where you want to invest and the level of risk you want to take. A good place to start is with **our Future Planner tool**, which helps you explore how much money you may need in retirement, how much you're projected to have based on a set of assumptions, and your options to grow your super. Then to assist with your investment decisions, we recommend speaking with one of our super experts who can provide personal advice on HESTA products and help you work out suitable investment strategies. You can book an appointment with one of our super experts **here**.
In your annual report about performance you distorted the view by using part last year data (a good year) with this years poor performance to make it look like my $100,000 drop in value did not exist. Why?	Our report for the 22/23 Financial Year covers the operations of HESTA between 1 July 2022 and 30 June 2023. The 22/23 Financial Year was a challenging investment environment with heightened market volatility but pleasingly, HESTA delivered strong returns for the financial year. We understand such a challenging investment environment can be a cause for concern for members. For most of our members, we believe it is the cumulative long-term performance that will make a difference to your retirement, rather than individual positive or negative annual returns. For those with a shorter investment timeframe, we recommend speaking with our super experts to assist with investment decisions. They can provide advice on HESTA products and discuss whether you might benefit from full advice. You can book an appointment with one of our super experts **here**. At any given time you can head to **our website** where we capture information on how all our investment options are performing, with a snapshot of daily, monthly and historical performance.

October 2023. Product ratings are only one factor to be considered when making a decision. Visit SuperRatings for important information about this rating. Past performance is not a reliable indicator of future performance.

OTHER	
How much money is spent supporting Union matters? For example, do you financially support The Daily and if so to what extent?	As one of the largest super funds dedicated to Australia's health and community services sector, HESTA is committed to delivering the best possible retirement outcomes for our one million-plus members. We enter into commercial agreements for services with organisations that include employers which contribute to HESTA on behalf of their employees, unions and other organisations that are strongly involved in the health and community services sector. These services help support our continued strong membership growth. We believe this helps to provide benefits of scale to all members, supports us in keeping our operating costs down and continuing to enhance our products and services, which can lead to better retirement outcomes. As an industry super fund, HESTA Directors are paid a directors' fee in recognition of their work on the Board and in various committees. Some Directors may choose to have these fees paid to their nominating organisation. The cost of our commercial agreements with industrial bodies per HESTA member in FY23 was $0.87. Please be aware we have processes in place to ensure our commercial arrangements are in members' best financial interests. We review all multi-year agreements with these organisations annually. Our Annual Member Meeting (AMM) Notice includes required disclosures for specific categories of expenditure, such as aggregate industrial body payments made in the financial year. You can find more information about our AMM and FY23 expenditure **here**. *The New Daily* is owned by Industry Super Holdings, a company that provides services to industry superannuation funds – like HESTA. *The New Daily* purposefully places a greater focus on news affecting superannuation and related financial matters. We can confirm HESTA does not pay *The New Daily* to provide this content to members who choose to receive it.