

HESTA Annual Report

2020/21

value
through
purpose

about this report

Every aspect of our work aims to create value for our members. We use the International Integrated Reporting (<IR>) Framework as a guide to producing our Annual Report, to ensure the entire HESTA community can see how we're performing against that aim.

'Value' in the framework is defined as a set of 'capitals' that increase, decrease or transform through the activities and outputs of an organisation. These include financial, intellectual, natural, human, and social and relationship capitals.

Because sustainability is essential to creating long-term value for our members, HESTA shares the global ambitions for the advancement of the 17 United Nations Sustainable Development Goals (SDGs). Throughout this report we reference the SDGs and specifically the seven SDGs we believe are most appropriate for our members in Australia.

This report covers the operations of HESTA from 1 July 2020 to 30 June 2021. We also discuss risks, opportunities and outcomes of our partners and the companies we invest in, where they are relevant to members financial outcomes.

The way HESTA thinks about creating value for members reflects our strategic promise, purpose and ambition.

Our promise (who we will be)

The gutsy advocate driving meaningful change for generations to come.

Our purpose (why we exist)

To make a real difference to the financial future of every member.

Our ambition (what we strive to achieve)

To become the super fund for life for all those who work in health and community services in Australia.

| <IR> capital | What this looks like at HESTA | Value created |
|--------------------------------|---|--|
| Financial | The money we invest and manage to help fund our members' retirement and the money we spend to carry out that work | A secure and confident financial future for our members |
| Intellectual | The research, data and insights we capture, produce and share as a result of our work, and the governance, risk, compliance, engagement and advocacy that inform and support our work | A healthy economy, society and environment |
| Natural | How we factor environmental impacts into our investments and our operations | |
| Human | Our people's contributions to our work and the way we support them to carry it out | A stronger, better appreciated health and community services sector |
| Social and relationship | The partnerships we form to support our work and the benefits that flow from these to our members, the sector we support and our society | |

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2020/21 performance snapshot

880,000+

members

\$69,658

average account balance

90,000 employers

Balanced Growth
(previously Core Pool)

8.80%* p.a.

average return since inception

10.4%

improvement in
retirement readiness.

64/36

female/male board
gender diversity



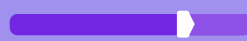
80%

female
members



79%

member
satisfaction with
advice services^



\$63b

funds under
management

380

registered viewers of HEA
and HIA awards broadcasts,
plus 200 attendees at
HANMA awards dinner

+42

change in Net Promoter Score
(NPS) for Member Online
after launching the new portal



6 years

Top decile
employee satisfaction

HESTA



Industry award wins



* Annualised return for the period. Past performance is not a reliable indicator of future performance.

The value of your investment may rise or fall. The return shown is net of investment fees, indirect costs and taxes as at 30/6/2020. ^ Super Adviser survey via Qualtrics.

welcome

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**we are people
of purpose**

we believe we
can make a difference

welcome



—
**At HESTA,
every aspect of
our work aims to
create value for
our members,
our partners,
and our people.**

**Our purpose is
clear: we invest
in and for people
who make our
world better.**

We strive to deliver value to our members through investment excellence, innovative digital and advice experiences, quality products, and strong partnerships.

We do this to make a real difference to our members' financial future, and to the world into which they'll retire.

We must acknowledge that in the face of prolonged uncertainty and challenges, our partners and members have made incredible sacrifices to support and care for our community. This work truly changes lives and inspires our purpose and everything we do at HESTA. And despite the uncertainty of the past 12 months, we're proud to have delivered outstanding results. Fundamentally, we know these results can make a tangible difference to our members' lives now and when they retire.

Investment performance

One of the most important ways we create value for our members is through our investment performance. And after the disruption of the global pandemic during 2020, we're so proud to have delivered exceptional returns. Our *MySuper* option, Balanced Growth, achieved just over 19% for the year; this equates to a 10-year average return of over 8.8% per annum. And our Sustainable Growth option continues to be a flagship globally for sustainability and responsible investment, achieving over 23% for the financial year.

These results prove that we can invest sustainably while delivering strong returns. They underscore our investment team's expertise and the global partnerships we've forged over many years to pioneer investment excellence with impact. We hope you're as thrilled with these results as we are. We know strong investment performance is key to ensuring our members can feel confident about their financial futures.

Future focus

At HESTA, we recognise the importance of investing responsibly and supporting a fairer and more sustainable world. This approach is crucial to our success as we realise the global impacts of climate change and COVID-19. These issues have sparked a profound transition in how we live and work. And at this critical time in history, our strategic focus for the next three years is underpinned by our unwavering commitment to be a steward of our members' retirement savings and return value to them across everything we do.

This is why we have developed the HESTA Climate Change Transition Plan, which outlines our strategy to achieve net-zero carbon emissions in our portfolio by 2050. This plan is about so much more than avoiding climate risk: it will help us pursue the substantial investment opportunities arising from the transition to a low carbon future.

As disruption becomes the norm, we are focused on enhancing our digital services and experiences. This year, we are proud to have developed our digital advice tool, Future Planner. Allowing us to provide help and advice to our members at scale, Future Planner

offers a wealth of information to help members make the most of their super. As we roll this out we hope Future Planner can empower thousands of our members to build stronger financial futures..

Partnerships

Our strong partnerships form the fabric HESTA is made of; alongside our members, our partners are core to everything we do. We know it continues to be a challenging time for them and for our community as we navigate the global shockwaves of COVID-19. And at HESTA, we know resilience to change is key to the long-term strength of the sector.

With over 880,000 members, HESTA has unique data and insights that can help inform how we as a community meet future challenges. We recently leveraged this scale to publish research into the future of our aged care and early childhood education and care workforces. Our state of the sector workforce reports offer our partners deep insights that can help them attract and retain the workforces vital to their organisations now and in the future.

Our impact

The impact we can have on our members' lives and the world they live in embodies our purpose. And this year, more HESTA members than ever before are Retirement Ready. Retirement Readiness is the tool we use to measure how our collective membership is tracking to meet the ASFA comfortable retirement standard.

Over the past 12 months, we've seen this increase by 10.4%, meaning more of our members are well-positioned for a comfortable retirement. In a challenging year, helping our members achieve the best possible retirement outcomes is more important than ever.

Thank you

This is a unique point in history, and our purpose has never been more important. At HESTA, we're committed to not only seeking to deliver strong long-term returns, but also to have a positive impact on our members' lives and the world in which they live and work.

We would like to warmly thank all our members, partners and employees for continuing this journey with us. In particular, we are deeply grateful for the critical work of our frontline members in aged care, health, early childhood education, disability and community services. Their contribution to our nation has never been more important.

We are privileged to be co-creators of a better future for our members. And we're so proud they continue to trust us to realise that vision together.

Debby Blakey
Chief Executive Officer

Nicola Roxon
Chair

our values



we are people of purpose

we believe we can make a difference



we step up and do the work

we are accountable and responsible



difference is valued

everyone here feels safe and seen

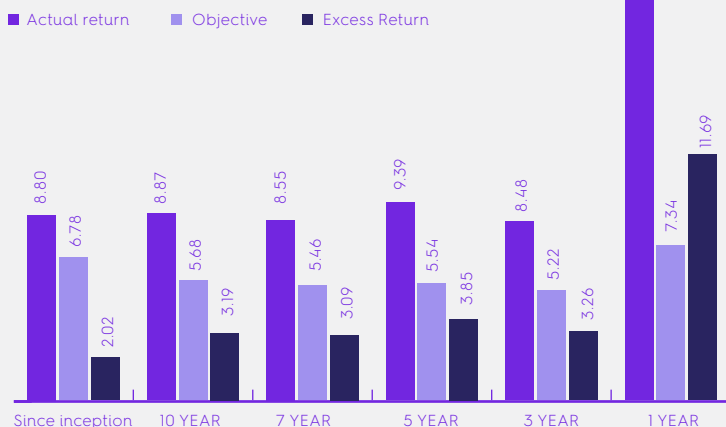


together is better

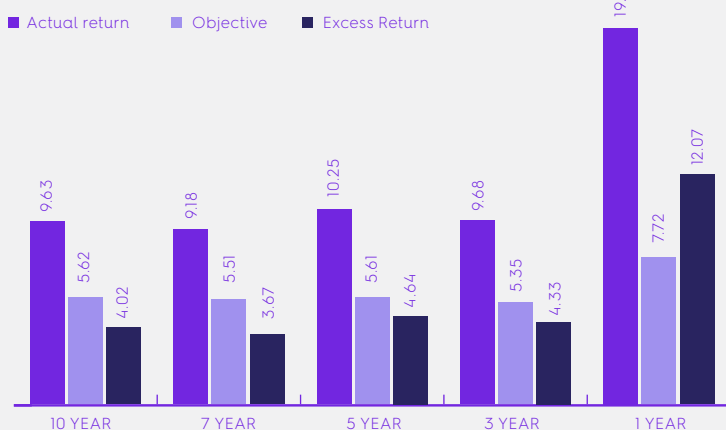
success is always achieved as a team

our investment performance

Balanced Growth (1/08/1987) (% p.a) as at 30 June 2021



Income Stream Balanced Growth (12/12/2007) (% p.a) as at 30 June 2021



HESTA Balanced Growth for super and Transition to Retirement members, and Balanced Growth for Income Stream members, have continued to outperform their long-term objectives.

See pages 45–46 for all our investment returns this year.

* Average annualised return for the period. Investments may rise or fall.
Past performance is not a reliable indicator of future performance.

HESTA investments have performed strongly throughout this financial year.

This strong outcome is the result of the HESTA investment team navigating emerging challenges over the past year.

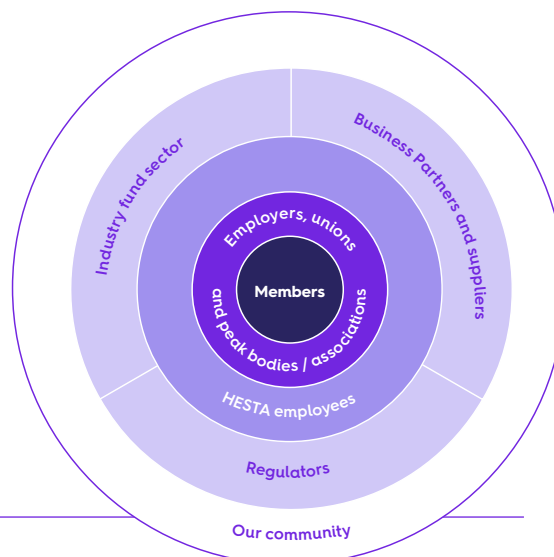
We're focused on achieving competitive long-term performance because, over time, this will make the biggest difference to our members' retirement outcomes.

our context

HESTA works closely with the health and community services sector, our partners and our community to create value for our members.

Our stakeholders

Our members are at the centre of everything we do. And because 80% of them are women, we have a special focus on issues that affect them.



Our operating environment

Economic environment

Financial markets and the global economy have produced resilient growth over the past 12 months, emerging strongly from the COVID-19 induced recession. Australia has produced one of the strongest economic recoveries in the world during the recent financial year. With vaccine rollouts maintaining momentum globally, the recovery is forecast to continue. As a result, many share markets have reached new highs in recent months. Currently, monetary policy has been stimulatory for the economy, with interest rates remaining near all-time lows. Similarly, fiscal policy has remained proactive and continued to support segments of the economy impacted by COVID disruptions. As economies normalise, we expect this support to be gradually withdrawn.

Strategic environment

FY21 continues to be framed by government, health, community and business response to COVID-19. HESTA members operate on the front lines of the pandemic response across health, aged care, community services and education and our fund has shown great resilience in supporting them financially throughout this period. The government early super release policy saw funds drained from individual accounts in 2020, while uncertainty in key industries has left many – especially women – with changed income. Our workforce and capability have continued to grow, delivering a new three year strategy and sustained investment excellence for members in a fast-changing and competitive environment.

Regulatory environment

The regulatory environment remains fluid, with the scope and pace of change across the super sector as great as ever. Regulatory changes introduced to help members through the pandemic continued in the latter part of 2020. We also continued to implement changes recommended from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, including those relating to resolution of disputes and design and distribution of win the October 2020 Federal Budget, passed into law in late June.

Sustainability

Sustainability is front-of-mind in everything we do to help create ongoing efficiencies that benefit members. We have transitioned the way we operate to reduce our impact on the environment, and work with our suppliers and partners to ensure they also operate sustainably. In this reporting period we preserved our status as a certified Carbon Neutral Organisation for emissions produced from our business operations, even though our footprint grew.

This growth was offset via several initiatives, including procurement of carbon neutral power for our Victorian and South Australian offices. We have also bought certified offsets, including savanna burning projects that support Aboriginal employment in Western Australia's Northern Kimberley region, and tree-planting initiatives in north-western NSW and the Babinda rainforest in Far North Queensland.

**our value creation story
starts and ends with members;
member contributions make
HESTA possible, and member
outcomes are our constant focus.**

who we are & how we work...

what we do...

Our people and culture

We attract and keep the best people.
We up-skill and engage them.
We live our values and fulfil our brand promise.

Our governance, risk and compliance

We use a representative Trustee model;
we embed a focus on a financially sustainable fund.

Our business partners

We select and work with our partners
to build value for members.

Our research and insights

We believe data-led decision making enables
us to work collaboratively for our members.

Our scale

The size of our membership and our fund
gives us both power and responsibility.

We invest responsibly

We invest for long-term performance
and impact. We use our scale to influence
others and to keep our costs down.

We understand our members

We ask our members what they need.
We invest in technology that makes things
easier. We design products and services
that connect members to their money.

We stand up for what's right

We raise our voice on issues that matter to
member's retirement outcomes. We stand
up for women. We work to close the gender
super gap. We fight for financial equality.
We keep companies responsible.

We partner with purpose

We choose to work with like-minded
partners for the benefit of our members
and the industry we support.

what we deliver...



A model of sustainable, responsible financial growth

Strong financial returns in line with members' interests



Meaningful, lasting change in opinion, policy and culture



Positive financial and legislative outcomes for our members



Support where it's needed most for people who work in health and community services

Strong partnerships aligned with our values and our members' interests



Highly skilled and engaged employees who strive to deliver for our members

the value we help create...

secure future

A secure & confident financial future for our members

resilient economy

A more resilient economy, society and environment

stronger sector

A stronger, better appreciated health and community services sector



We are a profit-to-member industry super fund

our strategy

1. value



1.1

Deliver sustainable, ambitious, net long-term returns

We will continue implementing the recommendations from our Investment Strategy Review, with a focus on adding greater value to our investment approach. The review aims to maintain our strong net returns, reduce fees and outperform peers.

Value to members: the fund is positioned to deliver strong, sustainable long-term investment performance.

1.2

Enhance and differentiate value for members

We will work with members to improve our products and services so they engage with their super and take actions that will improve their retirement readiness.

Value to members: better support more often to achieve the financial future they want.

1.3

Enhance and differentiate value for employers and other partners

We aim to improve employer and partner satisfaction by working with them to enhance our services, support and ease of use. We also aim to provide the best possible workplace support for our members, who are also their employees.

Value to members: the full benefit of their super entitlements and opportunities to learn more about their super in their own workplace.

2. experience



2.1

Provide personalised, seamless experiences

We will design and deliver outstanding and continually improving experiences that meet members' growing expectations. We will help members take actions to improve their retirement readiness. This will help us satisfy and retain members, and drive advocacy to help attract new members.

Value to members: 24/7 support to improve their financial future, anytime and anywhere that suits them.

2.2

Have engaged, talented and adaptable people

We will help our employees develop the mindsets, capability and culture to deliver the fund's strategy. Our people and culture are assets that must be supported and enhanced in an increasingly competitive market for talent.

Value to members: their super is managed by skilled people committed to achieving great outcomes for them.

2.3

Accelerate and deliver HESTA Impact

We will develop a whole-of-fund approach to expand and promote the outcomes of the HESTA Impact program (see page 48). This involves growing members' confidence that HESTA invests their money in a socially and environmentally responsible way.

Value to members: their fund is working for positive outcomes not only for their financial future, but for the world into which they will retire.

3. growth



3.1

Acquire members and funds under management

We will work to improve net new member growth by expanding relationships with our largest employers and developing a more effective channel to reach potential members directly.

Value to members: more of the benefits that flow from scale, such as a bigger investment pool and controlled costs.

3.2

Retain members for life

We will reposition HESTA as the fund for life and work with members to simplify the experience of transitioning from accumulation to retirement. This will improve retention rates and net cash flows.

Value to members: the ease and confidence of staying with a fund they trust throughout their lives, as well as the benefits of our growing scale.

3.3

Maintain a competitive business model

We will continue to evolve and improve our business model so that it remains competitive in a market likely to be disrupted by new technologies and rapidly changing economics. As a profit-to-member fund, we need to continue to develop a flexible and cost-effective infrastructure that allows us to compete while retaining our lean, low-cost operating model.

Value to members: knowing they're with a sustainable fund that can deliver value for them now and into the future.

Our strategic plan is designed to help us deliver value to members by fulfilling our purpose and ambition.

2021 strategy

Our 2021 strategy will position us to create value for our members, employers, partners and our community now and into the future.

3 key goals

It centres on three key goals: delivering the best possible value, experience and growth for our members.

value | experience | growth

It's reviewed annually and shapes our business plan, which keeps us on track towards our longer-term goals.

Key objectives and initiatives are outlined in the plan and our employees take responsibility for delivering against each item.

a village of 100

HESTA proudly includes over 880,000 members. We are working hard to make a real difference to the financial future of every one of them.

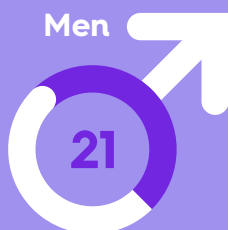
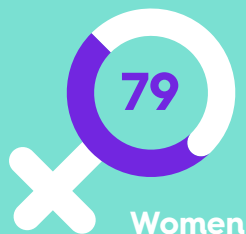
Our Vital Signs report highlights the challenges faced by our members, by imagining how the entire HESTA membership would look if it was compressed into a single village of 100 people. That microcosm would portray the diversity and talents of the people who deliver essential health care and community services for Australians.

Here's what that village would look like.

100 HESTA members

Gender

Like the health and community services workforce in general, HESTA members are predominantly women.¹



Working and retired

Most of our members are still working. That's because the superannuation system (which only began in the early 1990s) is still maturing, and few of our members have retired yet.²

94

Still Working



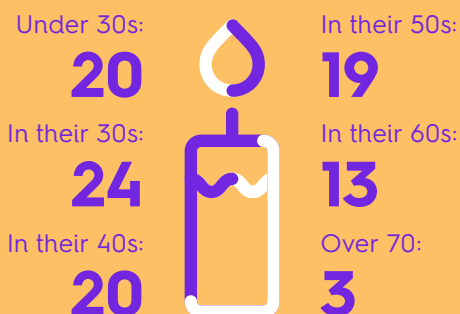
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retired and drawing pension



Age

HESTA members fall into all stages of work life: younger workers just starting out, mid-career workers, and older and retired workers.³

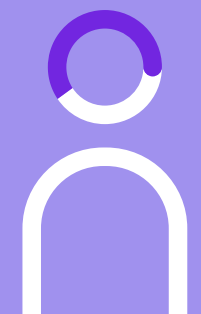


Average annual salary (for working members)

The average HESTA member makes over **\$60,000** per year. But our male members, on average, make almost **20% more** than our female members.⁴

Women
\$58,100

Men
\$69,600



Total
\$60,300

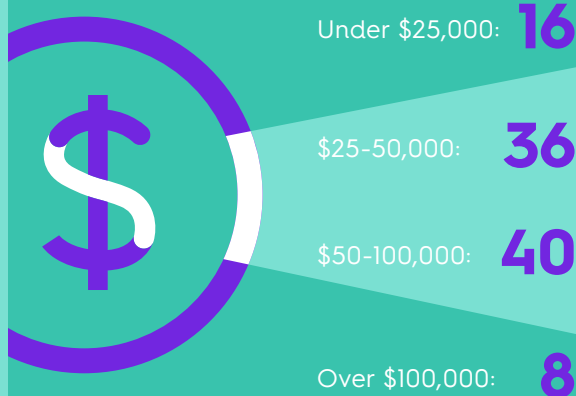
Average length of HESTA membership

Over one third of HESTA members joined our fund within the last five years; this reflects the strong growth that has occurred in health care and community services. Relatively few members have been with the fund for more than 20 years – but that is changing as the fund matures and our working members accumulate more experience.⁵



Annual salary (for working members)

The earnings of HESTA members are concentrated in the broad middle-income band: **over three-quarters of our village earn between \$25,000 and \$100,000**. But a significant minority of our members earn less.⁶



Family structure of HESTA members

Like Australian society as a whole, the family arrangements of HESTA members have evolved, and become more diverse. Our members have many different ways of living.⁹

Average superannuation balance

Because many HESTA members are early in their careers, their super balances are still relatively small. On the other hand, our retired members have had more time to build up larger balances.⁷

For those still working:

\$51,900



For those retired

\$201,900



Home ownership of HESTA members

Among HESTA members over 50 years of age, 72% own their own home. That's higher than the average (67%) for all Australians.

Of those over 50 that own a home, over half have paid off their mortgages.⁸

Own home, no mortgage:

21

Own home, with mortgage:

38

Don't own home:

41



Couple with children:

44

Couple without children:

14

Single with children:

11

Single without children:

21

Other:

10

how we work

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we step up and
do the work

we are accountable
and responsible

our governance

> Why this matters to us

Good governance is the key to operating as a financially successful and sustainable fund for our members.

It lays the foundation of every aspect of our operations, ensuring we act ethically, prudently and in the best financial interests of our members and other stakeholders.

Our governance framework ensures the responsibilities of both the Trustee Board and the Trustee Executive Team support fairness, transparency and accountability.

> How we create value

HESTA is managed by a corporate trustee, H.E.S.T. Australia Limited, a not-for-profit public company limited by guarantee and regulated by legislative, regulatory and prudential obligations.

The Trustee is governed by a Board of Directors. The Board is made up of two independent Directors appointed by the Board and twelve Directors (six employee representatives and six employer representatives) who are appointed under the equal representation model and nominated by eligible guarantor organisations in health and community services.

Our Board structure ensures the voices of both employers and members are heard at every level of the fund. This means their views can be part of the decisions we make on our members' behalf.

The Board sets our strategic direction and monitors the implementation of our strategy by the Executive Team in accordance with our governance framework. The fund is run in accordance with the Trust Deed, relevant legislation and regulations. HESTA has adopted the Australian Institute of Superannuation Governance Code to promote transparency and disclosure of our governance arrangements.

Identifying and managing risk is central to achieving our strategic objectives and purpose. Our risk management framework and internal controls identify, evaluate and manage risks in line with our risk appetite, which is reviewed and approved by the Board annually.

The HESTA Trustee holds professional indemnity insurance to protect both itself and the Directors from claims against them.

No claims have been made under the insurance policy and no penalties have been imposed under the Superannuation Industry (Supervision) Act 1993, which covers the regulation, responsibilities and activities of super funds during the year.

14

trustee directors

6

employee
organisations

6

employer
organisations

1

independent
director
(chair of the
investment
committee)

1

independent
chair

4

board committees



**Like to know more about
the governing rules and
governance activities of
the Fund?**

You can access a full copy
of the HESTA Trust Deed,
the H.E.S.T. Australia Limited
Constitution and
Governance Disclosures at
hesta.com.au/disclosure

our board

Chairs



The Honorable Nicola Roxon
Independent Chair



Mark Burgess
Independent Director
and Chair of Investment
Committee

Board changes in 2020/21

Alan Morrison (nominating body: Australian Private Hospitals Association) joined the Board on 1 March 2021 following the resignation of Daniel Sims on 31 December 2020.

Employer organisation appointed Directors



Dr Deborah Cole
Deputy Chair
Nominating body:
Australian Healthcare
and Hospitals Association



Klaus Zimmermann
Nominating body:
Aged & Community
Services Australia



Gary Humphrys
Nominating body:
Catholic Health
Australia



Catherine Smith
Nominating body:
Australian Council
of Social Service



Dr Saranne Cooke
Nominating body:
Leading Aged
Services Australia



Alan Morrison
Nominating body:
Australian Private
Hospitals Association

Employee organisation appointed Directors



Lloyd Williams
Deputy Chair
Nominating body:
Health Services Union



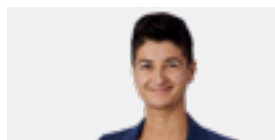
Helen Gibbons
Nominating body:
United Workers Union



Anna Claude
Nominating body:
Australian Nursing
and Midwifery Federation



Lori-Anne Sharp
Nominating body:
Australian Nursing and
Midwifery Federation

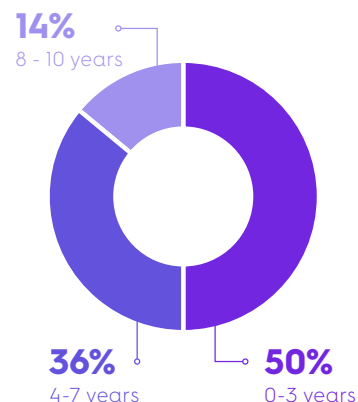


Sophie Ismail
Nominating body:
Australian Council
of Trade Unions

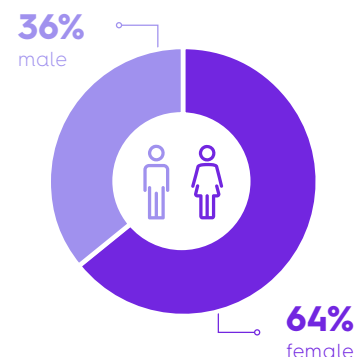


Emeline Gaske
Nominating body:
Australian Services
Union

Board tenure



Board diversity (gender)



Like to know more about our Board of Directors?

Visit our website for further details on our Board of Directors hesta.com.au/board including board and committee meeting attendances hesta.com.au/disclosure

board committees

| Committee | Chair | Members |
|--|----------------------|---|
| Audit and Risk Committee The Audit & Risk Committee met five times during the year and reported the key committee activities and outcomes to the Board after each meeting. The committee is responsible for the oversight of financial and statutory reporting, trustee office budget and insurance, internal and external audit programs, ongoing development of the enterprise wide risk management framework, and the extensive range of compliance and regulatory obligations. | Gary Humphrys | Saranne Cooke Klaus Zimmermann Sophie Ismail Deborah Cole Lloyd Williams Alan Morrison |
| Governance and Remuneration Committee Responsible for all governance and remuneration matters including maintaining the appropriate balance of skills and expertise of Directors, reviewing and recommending Director training and education, Director and Executive Management remuneration, and Board performance and processes. Key focus areas and achievements included finalising the updated Board Skills Matrix, refresh of the Director Mentor Program and framework, review of Board Committee structure and composition, and review and refresh of the Investment Performance Incentive Plan. | Helen Gibbons | Nicola Roxon Deborah Cole Catherine Smith Lori-Anne Sharp |
| Investment Committee The Investment Committee (IC) oversaw final stages of the Australian Equities internalisation project, which aims to improve net returns, capacity, and investment opportunities for members. The IC reviewed HESTA's investment objectives, strategy and governance framework, to maintain alignment with evolving regulation, legislation (including <i>Your Future, Your Super</i>) and responsible investment ambitions. | Mark Burgess | Nicola Roxon Anna Claude Gary Humphrys Klaus Zimmermann Helen Gibbons Melda Donnelly <i>(External Adviser)</i> Robert Mann <i>(External Adviser)</i> |
| Impact Committee The Impact Committee considered our impact measurement approach, the implementation of HESTA's Climate Change Transition Plan, the ongoing modernisation of the sustainable growth option approach and the social impact investment strategy. The Committee also considered the carbon neutrality of the Trustee Office and received reports on the advocacy approach in our key sustainable development goals. | Anna Claude | Mark Burgess Catherine Smith Emeline Gaske Saranne Cooke Angela Emslie <i>(External Adviser)</i> |

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

> Our performance

Over the course of 2020/21, strong governance remained a key focus for the Board to ensure that HESTA continues to be able to deliver for its members and support them through the ongoing disruptions caused by COVID-19. Despite the challenging environment, HESTA achieved strong investment results for its members and as part of our focus on responsibility and impact, HESTA has continued to influence change across multiple fronts, delivering the HESTA Modern Slavery statement, Climate Change Transition Plan, 40:40 Vision, results of the 2020 Gender Diversity Survey, ongoing work with Indigenous communities including engagement on companies' disclosure and governance responsibilities, and carbon neutral certification for HESTA.

📍 Find out more at hesta.com.au/board

> Looking forward

Effective Trustee governance continues to be the focus for the Board as we navigate the ongoing challenges of COVID-19 and regulatory changes for our members. The Board has sharpened its focus areas for the year ahead to ensure that HESTA is well positioned to continue to deliver high standards of governance to serve our members' interests and meet changing community expectations.

our executive

Purpose-led action is needed to help create the future our members want to see. Our leadership team remains focused on actions that support a secure, healthy and fair tomorrow for them.



Debby Blakey
Chief Executive Officer

Debby was appointed CEO in 2015. A proven leader, she has more than 25 years' experience in superannuation and financial services and holds directorships at the Association of Super Funds of Australia, Industry Super Australia Ltd and the Australian Council of Superannuation Investors. Debby has previously been HESTA's Deputy CEO and Executive - Member Advice.



Sonya Sawtell-Rickson
Chief Investment Officer

Sonya was appointed Chief Investment Officer in July 2017. She is responsible for overseeing the global investment program, focused on delivering strong sustainable long-term returns for HESTA members.



Lisa Samuels
Chief Experience Officer

Lisa was appointed Chief Experience Officer in July 2015 and is responsible for strategy, brand, marketing, customer and employee experience, insights and people and culture.



Stephen Reilly
Chief Operating Officer

Stephen was appointed COO in August 2015. He is responsible for the quality, efficiency and continuous improvement of HESTA's operating model, service delivery, digital, technology and investment operations.



Andrew Major
Chief Risk and Compliance Officer

Andrew joined HESTA in 2009. He was appointed Chief Risk and Compliance Officer in January 2020, and is responsible for leading HESTA's central risk, compliance, regulatory change and information security teams.



Megan Bolton
Chief Financial Officer

Megan was appointed Chief Financial Officer in September 2016. She is responsible for managing financial and accounting processes, legal matters, tax, fleet management, facilities and sustainability, project execution and governance.



Joshua Parisotto
Chief Advice Officer

Joshua was appointed Chief Advice Officer in January 2020. Joshua is responsible for financial advice and delivering education and engagement tools and activities to empower members to improve their financial wellbeing.

our people and culture

> Why this matters to us

Our employees have always been purpose driven, putting members needs authentically at the centre of everything we do. Our employees strive to do the best work of their career, to produce outcomes that can make a positive impact to our members.

Members' financial futures are impacted by the decisions our employees make every day. This is why we're committed to growing our skilled, future-focused and purpose-driven team.

More than ever, HESTA employees are building high levels of capability, change agility, transformation readiness and a strong mindset. These capabilities create a high-performance team that can keep delivering value to HESTA members.

> How we create value

We attract high-performing, innovative and change savvy employees who continue to deliver outstanding outcomes for HESTA members.

Leadership and accountability are expectations for every employee in every role, and this drives performance right across the fund. Our employees genuinely believe in making a difference, fuelling opportunities to make an impact for members.

Even though we are growing, our workforce maintains a lean, flexible operating model. This helps us control costs while maintaining the expertise to deliver our ambitious strategic goals.

We proactively manage the HESTA culture by recognising and reinforcing behaviour that aligns with our values, through our Culture Roadmap framework – I Belong at HESTA. As we grow, our culture will grow with us.

> Our performance



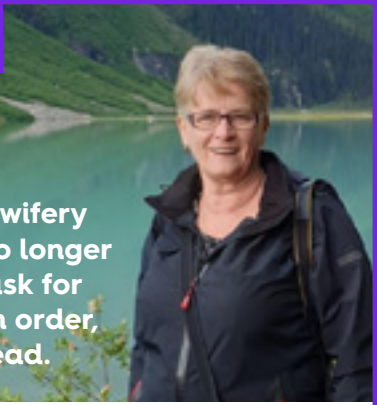
Internalisation of investment management

In 2019, HESTA began the long journey to expand our investment management capability, improve access to investment opportunities, insights, alignment, and decision-making. This has involved building our internal investment team to manage certain asset classes in-house.

Internalisation is an important step for a growing fund like HESTA. Internalisation also allows for enhanced engagement capability to support the HESTA Impact ambitions.

In 2020/21 HESTA advanced this initiative in Australian Equities.

member spotlight



After a long career in midwifery and nursing, retirement no longer feels like an impossible task for Netty. With her finances in order, she's ready for what's ahead.

The next chapter...

"In my late 50s I sought advice from HESTA and ended up starting a Transition to Retirement Income Stream before I turned 60. This enabled me to start reducing my work hours but keep the level of income I was used to. Plus I still wanted to be working—just a bit less.

It wasn't until I started approaching 65 that retirement actually became an option for me. I started to realise I would be able to retire from the workplace having peace of mind that my HESTA Income Stream would support me in my retirement.

Suddenly the thought of retiring was not such a daunting thing... I can now slowly reduce my working and slowly transition to retirement.

My adviser Michelle helped me consolidate my funds and gave me awareness of the options I had to continue to maximise my funds whilst still working.

The thought of retiring no longer seems like an impossible task now that I'm working towards the end of my career. I'm comfortable in the knowledge that I'll be able to support myself in my retirement."

OUR EMPLOYEE PHILOSOPHY

build & grow

Build our employees' capacity and capability so they can deliver on our strategic objectives



inspire

Discover, inspire, develop and retain purpose driven employees who will continue to innovate and grow in capability, proficiency and confidence to continue to drive organisational performance



support

Support our employees' growth, wellbeing and work/life balance to retain skills and experience



engage

Actively engage with our community and the sector we serve through our corporate social responsibility and awards programs, so our people are deeply connected to and inspired by members' work and needs



**Positive
member
outcomes**

our business partners

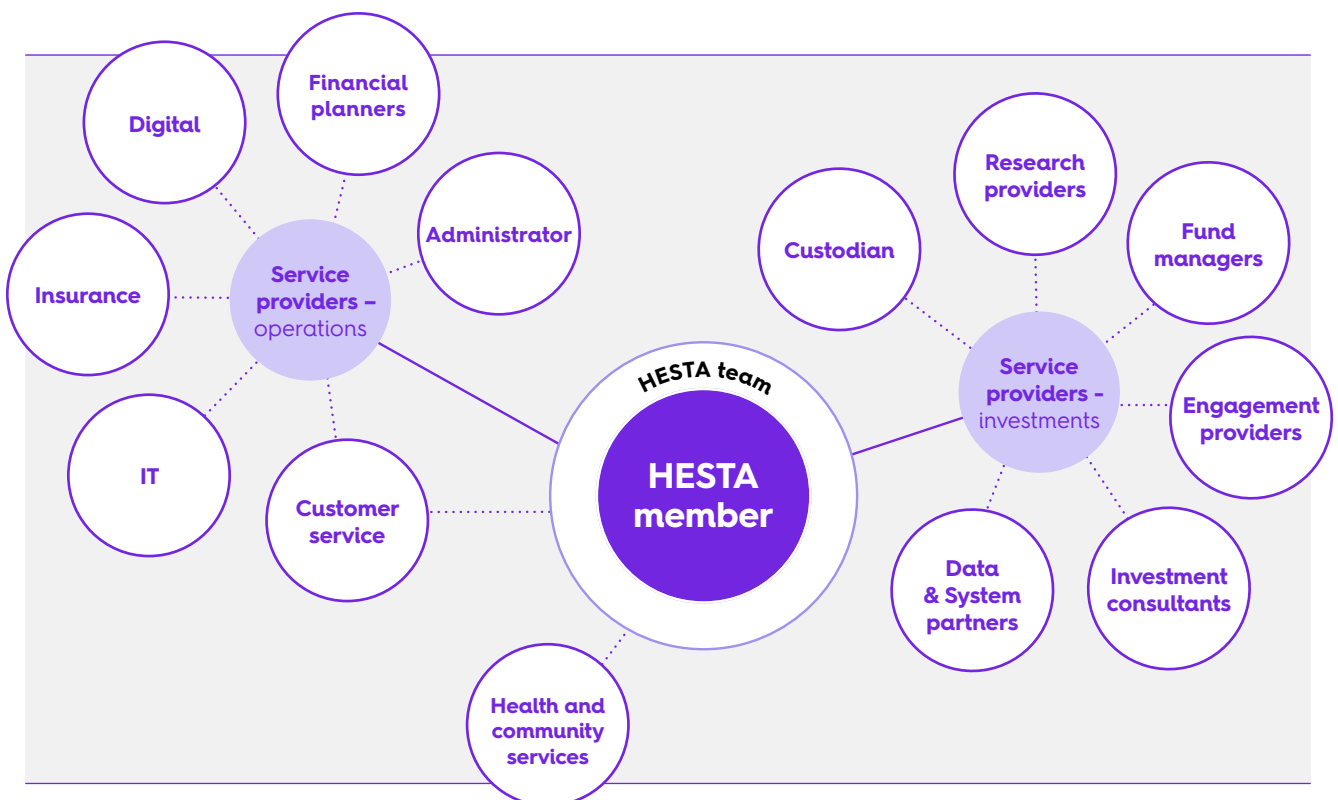
> Why this matters to us

Our partnerships are central to delivering real value to our members. We nurture strong relationships with business partners who share our commitment to creating a better future for our members. By partnering with best-in-class providers and systems we can ensure HESTA stays lean and responsive, making good choices today while being flexible enough to respond to change.

> How we create value

We choose partners who:

- offer market-leading solutions for members
- share and support our purpose and member-focused approach
- increase our people's capacity and capability
- offer genuine value for money, to help us control costs
- ensure our strategy and execution are responsible and exemplify leading global practice
- support us to meet our regulatory obligations.



> Our performance

Partnering with our insurer to provide Cancer Programs

HESTA works with our insurer (AIA Australia Ltd.) to provide insured members tailored programs to support them when claiming a benefit following a cancer diagnosis. The programs consists of CancerAid, Care Movement and RESTORE CaRe.



CancerAid

CancerAid

Provides a health coaching program which is used with the aid of a CancerAid App. The program is provided while our member undertakes cancer treatment and is designed to help them to track their symptoms using the app and share information with their doctors. The health coaching programs provide education on how to manage the side effects of cancer treatment and the importance of good nutrition, mental health and exercise. It is an evidence based program and sets out to improve the health outcomes of our members.

Care Movement

Provides an Exercise Physiology program run by AIA which is designed for patients undertaking cancer treatment.

RESTORE CaRe

Our Insurer's holistic wellness program which helps members affected by cancer to connect with support networks (i.e. Cancer Council) and provide education about the importance of exercise, good nutrition, mindfulness and other strategies to help restore the cancer survivor's wellbeing. The program is provided while our member is undergoing treatment.

our member research and insights

> Why this matters to us

Our research and insights capability is the engine that drives our increasingly personalised support of our members' needs now, and throughout their journey with us. This tailored support can help create lasting value for our members in the form of a better financial future. As a truly data-driven organisation we can continue to grow and deliver value for our members.

> How we create value

We combine insights supported by leading research partners with our growing internal capability to inform every decision we make on our members' behalf.

Voice of Member Interaction Program

Our member experience program is designed to help employees support our members at every step of their journey with us. By continuously monitoring 25 touchpoints, we're able to quickly identify problem areas and take action. This year we collected feedback from almost 20,000 members, and undertook more than 16,000 surveys from our new member online survey. And over 3,000 of these members were contacted about their feedback.

Have a say

Our online insights panel has over 2,500 community members who provide member input on a range of subjects within a couple of days. We ran 14 surveys in FY21, bringing the member voice to key initiatives including our new investor profiles, Future Planner, Impact TV advertising and advice value proposition.

Experience Design

Our Human Centred Design capability supports our employees in delivering superior member-centric offerings. Our approach starts with our members or partners, the people we are designing for, and ends with solutions that are tailored to their needs.

> Our performance

Ada

Our advanced analytics platform Ada continues to drive insight generation, collaboration and action at HESTA and is becoming increasingly important in driving personalised experiences with members directly. Over the year we introduced Ada's-Data-As-A-Service (AdaAS), which enriches our systems of engagement with Ada's AI and predictive capability. AdaAS supports personalised, data driven experiences for our members by empowering people at HESTA with additional information and context to engage deeply with our members at the point of interaction. Through AdaAS, we drive interactions that are meaningful and powerful, that empower our members to take steps toward a better financial future.

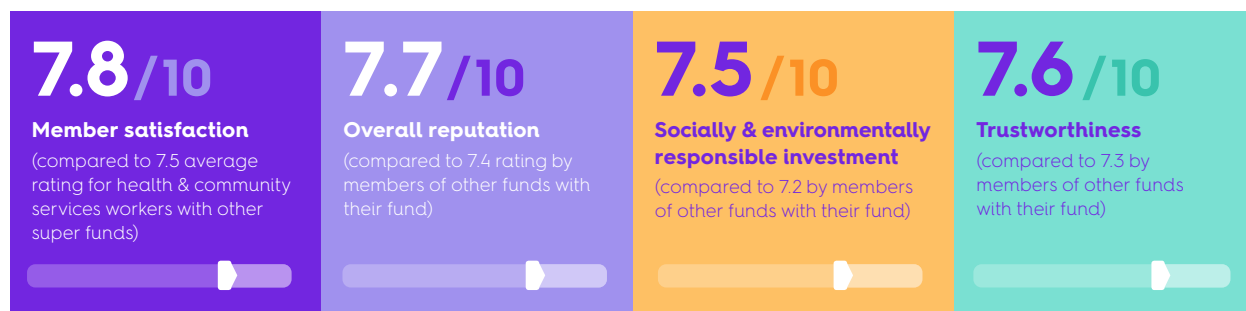
Ada Says

Ada Says is a tool developed to create a personalised list of suggested actions for every member, aimed at maximising their retirement readiness. Building on early success, we have scaled the coverage of Ada Says in our call centre. In FY20 Ada Says made nearly 15,000 suggestions, resulting in nearly 3,000 members taking action toward a better financial future.

Member satisfaction and brand research

Our Brand Tracking and Member Experience programs provide critical strategic input informing initiative prioritisation, advertising in market, and help us keep a pulse on HESTA and our key competitors.

This year we took the opportunity to revise our research needs within the context of our new strategy and inhouse capability and will be launching a new program in July 2021.



HESTA Brand Tracker, Q4 FY20/21

Adhoc research

This year we conducted several critical projects inhouse to support initiatives across the business. The development of our internal research capability has delivered measurable impact to teams, the fund, and our members.

This year we completed a second round of our Industry Insights research to understand the people who deliver critical services in our Health and Community Services Sector. This research was the backbone of our industry reports including Transforming Aged Care. We also conducted research amongst our Sustainable Growth investment option members to understand their needs. And finally extensive research was conducted amongst members who have received third party advice and the advisers who service them, to better understand what they need from HESTA.

our investment capabilities

> Why this matters to us

Our ability to execute investment decisions in a timely manner, with great data and research is crucial to delivering strong member returns. We are in the implementation phase of adding new technology to our investment function to enhance our process.

By undertaking these changes and partnering with contemporary systems providers, we can drive better outcomes for our hard-working members.

> How we create value

We combine our investment approach with new technology to make informed, timely investment decisions.

Our new Portfolio Management System will deliver a consolidated lens across our decision-making and risk management, through data availability, timeliness, integration and improved analytics. The Portfolio Management System is also a key enabler of our internalisation initiative.

> Our performance

We have been monitoring our internal progress against a clear set of objectives to deliver this important project. The project is on track.

what we do

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| We invest for positive outcomes | 28 |
| We stand up for what's right | 52 |
| We understand our members | 55 |
| We partner with purpose | 64 |

who we are

how we work

what we do

financials

**difference
is valued**

everyone here
feels safe and seen



we invest for positive outcomes

> Why this matters to us

Every aspect of our investment strategy is informed by our focus on investing for strong returns and doing it responsibly, knowing the importance of each decision to our members' financial interests. HESTA is a 'universal owner' – an investor with a large investment portfolio diversified across asset classes, sectors and geographies such that we are effectively invested in a slice of the global economy. Because of that, we cannot diversify away all risk and our members' returns are therefore affected by the health of the global economy. We align our members' interests with their long-term investment needs.

> How we create value

Investing responsibly is important to an investment's long-term value. Understanding how an investment impacts on people and planet helps us understand an investment's risks, opportunities and long-term sustainability.

To deliver strong financial returns for our members' financial futures, we must address financial and non-financial considerations. We endorse the ambitions of the United Nations' Sustainable Development Goals (SDGs) as a way of delivering a healthy economy, environment and society. These 17 goals, adopted by all United Nations Member States in 2015, provide a roadmap for prosperity for the planet through global collaboration. We aim to support our members and their working lives in the health and community services sector by meaningfully contributing towards seven strategic areas of impact (framed within the SDGs), that are aligned with members' financial interests.



You can read more about our responsible investment practices, our voting and our engagement at hesta.com.au/responsible

> Our performance

HESTA is recognised as an industry leader in responsible investment.

We are proud to be named as a global leader by the UN PRI. This leadership group consists of 47 global asset owners at the forefront of responsible investment leadership and innovation.

HESTA is an active owner, seeking to influence change in companies and sectors through an engagement program. We focus on the engagement themes that matter most to our members and align with the Sustainable Development Goals. Either directly or through our partners we have conducted hundreds of meetings with companies to protect and enhance the value of our members' investments and the contribution companies can make to a sustainable world.

We also use voting to promote change and publicly communicate our views on the activities of a company. We vote around 99% of our proxies held. We participate in Class Actions when our members have been wronged and suffered financial loss as a result of poor company behaviour. We believe Class Actions are an important form of active ownership, as they provide a tool to recover losses and also to improve the system.

Our responsible investment policies

Our investment approach is supported by a number of policies spanning responsible investment, governance, active ownership, climate action and stewardship. You can read our policies at hesta.com.au/responsible

> How we invest

Investing responsibly

Our approach to impact through responsible investment practices is guided by the United Nations-backed Principles for Responsible Investment (PRI). The PRI requires signatories to incorporate environmental, social and governance (ESG) issues into investment analysis and decision-making and practise active ownership of the companies in which we invest. ESG issues can impact investment risks and returns, by considering these risks and acting to mitigate them, we can improve the long-term investment returns for our members and improve the world they retire into.

Engaging actively

Active ownership means working to bring about real, positive change to create sustainable financial returns for our members. Our objective is to raise the standards of the companies and markets in which we invest. Active ownership or Stewardship has four areas of work: Company Engagement, Proxy Voting, Class Actions and Advocacy.

The top themes we have pursued change on this year are:

- gender diversity executive level composition
- climate change
- remuneration practices
- native title practices.

A complementary part of our active ownership approach is our proactive voting practices.

You can read our share voting reports at hesta.com.au/responsible under 'Active ownership'.

We conduct engagements through our partners the Australian Council of Superannuation Investors (ACSI), Regnan Governance Research and Engagement (Regnan) and Hermes Equity Ownership Service (EOS).

OUR BELIEFS

A strong set of beliefs guides every decision we make on behalf of our members.



Clear objectives, and a long horizon mind-set, can deliver better financial futures for our members



A disciplined total portfolio approach, which actively balances forward returns and risks, leads to improved investment outcomes



Members' best interests are served by having a deep commitment to responsible investing



Aligned active approaches give us greater capacity to protect and grow returns for members



Strong partnerships can deliver better member outcomes

investment managers

As at 30 June 2021, HESTA was invested in investment vehicles managed by IFM which, in combination, exceeded 5% of the Fund's total assets.

| Asset Class | Investment manager |
|----------------------|---|
| Cash | First Sentier Investors (Australia) IM Limited |
| | IFM Investors Pty Ltd |
| | JP Morgan Chase Bank, N.A. |
| | State Street Global Advisors, Australia, Limited |
| Global debt | Citigroup Global Markets Australia Pty Limited |
| | Macquarie Securities (Australia) Limited |
| | BlackRock Asset Management (Australia) Limited |
| | Macquarie Investment Management Australia Limited |
| | Pendal Group Limited |
| | PIMCO Australia Pty Limited |
| Property | AEW Capital Management, L.P. |
| | EG Funds Management Pty Ltd |
| | Eureka Funds Management Limited |
| | Franklin Templeton Investments Australia Limited |
| | Heitman Capital Management, LLC |
| | Investa Wholesale Funds Management Limited |
| | ISPT Operations Pty Ltd |
| | MSREF V International-GP, L.L.C. |
| | Nuveen Alternatives Europe S.à r.l. |
| | QIC Property Management Pty Ltd |
| | Scarborough Pacific Group Pty Limited |
| | Stride Property Limited |
| | Citigroup Global Markets Australia Pty Limited |
| | Macquarie Securities (Australia) Limited |
| | Artisan Partners Limited Partnership |
| International shares | Baillie Gifford Overseas Limited |
| | BlackRock Investment Management (Australia) Limited |
| | Citigroup Global Markets Australia Pty Limited |
| | Generation Investment Management LLP |
| | Lazard Asset Management Pacific Co |
| | Martin Currie Investment Management Limited |
| | Robeco Hong Kong Limited |
| | Sanders Capital LLC |
| | State Street Global Advisors, Australia, Limited |
| Australian shares | Airlie Funds Management Limited |
| | Allan Gray Australia Pty Limited (formerly Orbis) |
| | Macquarie Securities (Australia) Limited |
| | Cooper Investors Pty Limited |
| | Ellerston Capital Limited |
| | Greencape Capital Pty Ltd |
| | IFM Investors Pty Ltd |
| | Pendal Group Limited |
| | Plato Investment Management |
| | Schroders Investment Management Australia Limited |
| | Solaris Investment Management Limited |
| | State Street Global Advisors, Australia, Limited |
| | Touchstone Asset Management Pty Ltd |
| | Yarra Funds Management Limited |



as at 30 June 2021

what we do

| Asset Class | Investment manager |
|----------------------------|--|
| Infrastructure | IFM Investors Pty Ltd |
| | Kohlberg Kravis Roberts & Co. L.P. |
| | Macquarie Fund Advisors Pty Limited |
| | Morrison & Co Utilities Management (Australia) Pty Ltd |
| | Pacific Equity Partners Pty Ltd |
| | Palisade Investment Partners Limited |
| | Stafford Timberland Limited |
| Private equity | Adveq Management AG |
| | Ascendent Capital Partners Limited |
| | Blackbird Ventures Pty Ltd |
| | Brandon Capital Partners Pty Ltd |
| | Castik Capital Partners GmbH |
| | Five Elms Capital Management, LLC |
| | FSN Capital Partners AS |
| | FTV Management Company, L.P. |
| | Generation Investment Management LLP |
| | Grey Mountain Partners LLC |
| | IFM Investors Pty Ltd |
| | Leapfrog Investments Group Ltd |
| | Lexington Advisors Inc |
| | Littlejohn & Co., LLC |
| | Madison-India Management Advisors Private Limited |
| | Oaktree Capital Management, L.P. |
| | Providence Equity Partners LLC |
| | Rio Energy Management LLC |
| | Rockbridge Growth Equity Management, L.P. |
| | Stafford Fund Nominees Pty Ltd |
| | Stafford Private Equity Pty Ltd |
| | Stafford Private Equity Inc |
| | Stone Point Capital LLC |
| | TDR Capital, LLP |
| | Vencap Limited |
| Alternatives | AlphaCat Managers Limited |
| | BlackRock Financial Management, Inc |
| | Bridgewater Associates, Inc |
| | Challenger Investment Partners Limited |
| | Graham Capital Management L.P. |
| | Healthcare Royalty Management, LLC |
| | IFM Investors Pty Ltd |
| | Kohlberg Kravis Roberts & Co. L.P. |
| | Members Equity Bank Pty Limited |
| | Nephila Capital Limited |
| | Oaktree Capital Management, L.P. |
| | Social Ventures Australia |
| | Westbourne Credit Management Limited |
| Currency management | Lee Overlay Partners Limited |
| | Insight Investment Management Limited |
| | Russell Investment Management Limited |
| Risk management strategies | QIC Limited |
| | Russell Investment Management Limited |




HESTA

investment options

| Ready-Made options | Balanced Growth Our MySuper default option | Conservative | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|----------------------|------------------|-------------------|-----|----------|----------------------|-----|----------|----------------|----|---------|--------------|------|---------|----------------|-----|---------|----------|------|---------|-------------|-----|---------|------|----|---------|--------------------|-------|---------|--|-------------|----------------------|------------------|-------------------|-------|---------|----------------------|-------|---------|----------------|---|---|--------------|----|---------|----------------|-------|---------|----------|------|---------|-------------|-----|----------|------|-----|----------|--------------------|------|---------|
| | | Options in risk order | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Description | <p>This is our default investment option where a majority of our members have their super invested.</p> <p>Invests in a wide range of mainly shares, private equity, property and infrastructure, with some debt and cash investments. This option aims to achieve medium to long-term growth with some possible ups and downs in the short term.</p> | <p>Invests in a range of mainly debt and cash, with some exposure to shares, property and infrastructure. This option aims to achieve medium-term growth with some possible ups and downs, but is expected to be more stable than Balanced Growth in the short term.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment objective (long-term) | To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 3.5% | To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 2.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Probable number of negative annual returns over 20 years | 3 to less than 4 | 1 to less than 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk level | Medium to high | Low to medium | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Suggested minimum investment timeframe | 5 to 7 years | 1 to 3 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Type of investor this option may suit | Ambitious | Cautious | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic asset allocation |  <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>Australian shares</td><td>25%</td><td>17 - 37%</td></tr> <tr> <td>International shares</td><td>24%</td><td>16 - 36%</td></tr> <tr> <td>Private Equity</td><td>6%</td><td>0 - 12%</td></tr> <tr> <td>Alternatives</td><td>8.5%</td><td>0 - 15%</td></tr> <tr> <td>Infrastructure</td><td>12%</td><td>5 - 25%</td></tr> <tr> <td>Property</td><td>9.5%</td><td>3 - 20%</td></tr> <tr> <td>Global debt</td><td>10%</td><td>5 - 25%</td></tr> <tr> <td>Cash</td><td>5%</td><td>0 - 30%</td></tr> <tr> <td>Currency exposure*</td><td>17.5%</td><td>0 - 30%</td></tr> </tbody> </table> <p>Previously named Core Pool</p> | Asset class | Strategic allocation | Allocation range | Australian shares | 25% | 17 - 37% | International shares | 24% | 16 - 36% | Private Equity | 6% | 0 - 12% | Alternatives | 8.5% | 0 - 15% | Infrastructure | 12% | 5 - 25% | Property | 9.5% | 3 - 20% | Global debt | 10% | 5 - 25% | Cash | 5% | 0 - 30% | Currency exposure* | 17.5% | 0 - 30% |  <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>Australian shares</td><td>11.5%</td><td>5 - 20%</td></tr> <tr> <td>International shares</td><td>10.5%</td><td>5 - 15%</td></tr> <tr> <td>Private Equity</td><td>-</td><td>-</td></tr> <tr> <td>Alternatives</td><td>6%</td><td>0 - 15%</td></tr> <tr> <td>Infrastructure</td><td>10.5%</td><td>2 - 15%</td></tr> <tr> <td>Property</td><td>8.5%</td><td>2 - 15%</td></tr> <tr> <td>Global debt</td><td>30%</td><td>20 - 40%</td></tr> <tr> <td>Cash</td><td>23%</td><td>10 - 30%</td></tr> <tr> <td>Currency exposure*</td><td>7.5%</td><td>0 - 20%</td></tr> </tbody> </table> <p>Previously named Conservative Pool</p> | Asset class | Strategic allocation | Allocation range | Australian shares | 11.5% | 5 - 20% | International shares | 10.5% | 5 - 15% | Private Equity | - | - | Alternatives | 6% | 0 - 15% | Infrastructure | 10.5% | 2 - 15% | Property | 8.5% | 2 - 15% | Global debt | 30% | 20 - 40% | Cash | 23% | 10 - 30% | Currency exposure* | 7.5% | 0 - 20% |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian shares | 25% | 17 - 37% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International shares | 24% | 16 - 36% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Private Equity | 6% | 0 - 12% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alternatives | 8.5% | 0 - 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Infrastructure | 12% | 5 - 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property | 9.5% | 3 - 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Global debt | 10% | 5 - 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 5% | 0 - 30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure* | 17.5% | 0 - 30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian shares | 11.5% | 5 - 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International shares | 10.5% | 5 - 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Private Equity | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alternatives | 6% | 0 - 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Infrastructure | 10.5% | 2 - 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property | 8.5% | 2 - 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Global debt | 30% | 20 - 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 23% | 10 - 30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure* | 7.5% | 0 - 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



as at 30 June 2021

what we do

| Indexed Balanced Growth | Sustainable Growth | High Growth | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|------------------|-------------------|-----|----------|----------------------|-----|----------|----------------|---|---|--------------|---|---|----------------|---|---|----------|---|---|-------------|-----|----------|------|----|---------|--------------------|-------|---------|---|-------------|----------------------|------------------|-------------------|-----|----------|----------------------|-----|----------|----------------|----|---------|--------------|----|---------|----------------|----|---------|----------|-----|---------|-------------|-----|---------|------|----|---------|--------------------|-------|---------|---|-------------|----------------------|------------------|-------------------|-----|----------|----------------------|-------|----------|----------------|-----|---------|--------------|------|---------|----------------|------|---------|----------|------|---------|-------------|----|---------|------|----|---------|--------------------|-----|---------|
| Invests in a mix of low-cost asset class strategies that aim to closely match index returns. This option aims to achieve medium to long-term growth with some possible ups and downs in the short term. | Invests in shares, debt and private equity of companies with above average environmental, social and governance performance, along with some exposure to environmental property investments. This option aims to achieve medium to long-term growth with some possible ups and downs in the short term. | Invests in a wide range of primarily Australian and international shares, and private equity, along with some exposure to property, infrastructure, debt and cash. This option aims to achieve strong long-term growth with some possible ups and downs that may be greater than Balanced Growth in the short term. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 2.5% | To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 3.5% | To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 4.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 to less than 6 | 4 to less than 6 | 4 to less than 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| High | High | High | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 to 10 years | 7 to 10 years | 7 to 10 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ambitious | Very ambitious | Very ambitious | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>Australian shares</td><td>32%</td><td>27 - 37%</td></tr> <tr> <td>International shares</td><td>43%</td><td>38 - 48%</td></tr> <tr> <td>Private Equity</td><td>-</td><td>-</td></tr> <tr> <td>Alternatives</td><td>-</td><td>-</td></tr> <tr> <td>Infrastructure</td><td>-</td><td>-</td></tr> <tr> <td>Property</td><td>-</td><td>-</td></tr> <tr> <td>Global debt</td><td>20%</td><td>15 - 25%</td></tr> <tr> <td>Cash</td><td>5%</td><td>0 - 10%</td></tr> <tr> <td>Currency exposure+</td><td>21.5%</td><td>0 - 35%</td></tr> </tbody> </table> | Asset class | Strategic allocation | Allocation range | Australian shares | 32% | 27 - 37% | International shares | 43% | 38 - 48% | Private Equity | - | - | Alternatives | - | - | Infrastructure | - | - | Property | - | - | Global debt | 20% | 15 - 25% | Cash | 5% | 0 - 10% | Currency exposure+ | 21.5% | 0 - 35% |  <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>Australian shares</td><td>33%</td><td>23 - 43%</td></tr> <tr> <td>International shares</td><td>31%</td><td>21 - 41%</td></tr> <tr> <td>Private Equity</td><td>4%</td><td>0 - 10%</td></tr> <tr> <td>Alternatives</td><td>0%</td><td>0 - 15%</td></tr> <tr> <td>Infrastructure</td><td>0%</td><td>0 - 20%</td></tr> <tr> <td>Property</td><td>10%</td><td>0 - 20%</td></tr> <tr> <td>Global debt</td><td>17%</td><td>5 - 25%</td></tr> <tr> <td>Cash</td><td>5%</td><td>2 - 20%</td></tr> <tr> <td>Currency exposure+</td><td>17.5%</td><td>0 - 30%</td></tr> </tbody> </table> | Asset class | Strategic allocation | Allocation range | Australian shares | 33% | 23 - 43% | International shares | 31% | 21 - 41% | Private Equity | 4% | 0 - 10% | Alternatives | 0% | 0 - 15% | Infrastructure | 0% | 0 - 20% | Property | 10% | 0 - 20% | Global debt | 17% | 5 - 25% | Cash | 5% | 2 - 20% | Currency exposure+ | 17.5% | 0 - 30% |  <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>Australian shares</td><td>39%</td><td>25 - 50%</td></tr> <tr> <td>International shares</td><td>30.5%</td><td>25 - 50%</td></tr> <tr> <td>Private Equity</td><td>10%</td><td>0 - 15%</td></tr> <tr> <td>Alternatives</td><td>8.5%</td><td>0 - 15%</td></tr> <tr> <td>Infrastructure</td><td>4.5%</td><td>0 - 10%</td></tr> <tr> <td>Property</td><td>3.5%</td><td>0 - 10%</td></tr> <tr> <td>Global debt</td><td>2%</td><td>0 - 10%</td></tr> <tr> <td>Cash</td><td>2%</td><td>0 - 25%</td></tr> <tr> <td>Currency exposure+</td><td>25%</td><td>0 - 50%</td></tr> </tbody> </table> | Asset class | Strategic allocation | Allocation range | Australian shares | 39% | 25 - 50% | International shares | 30.5% | 25 - 50% | Private Equity | 10% | 0 - 15% | Alternatives | 8.5% | 0 - 15% | Infrastructure | 4.5% | 0 - 10% | Property | 3.5% | 0 - 10% | Global debt | 2% | 0 - 10% | Cash | 2% | 0 - 25% | Currency exposure+ | 25% | 0 - 50% |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian shares | 32% | 27 - 37% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International shares | 43% | 38 - 48% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Private Equity | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alternatives | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Infrastructure | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Global debt | 20% | 15 - 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 5% | 0 - 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure+ | 21.5% | 0 - 35% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian shares | 33% | 23 - 43% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International shares | 31% | 21 - 41% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Private Equity | 4% | 0 - 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alternatives | 0% | 0 - 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Infrastructure | 0% | 0 - 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property | 10% | 0 - 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Global debt | 17% | 5 - 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 5% | 2 - 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure+ | 17.5% | 0 - 30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian shares | 39% | 25 - 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International shares | 30.5% | 25 - 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Private Equity | 10% | 0 - 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alternatives | 8.5% | 0 - 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Infrastructure | 4.5% | 0 - 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property | 3.5% | 0 - 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Global debt | 2% | 0 - 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 2% | 0 - 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure+ | 25% | 0 - 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Previously named Eco Pool | Previously named Shares Plus | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

HESTA

investment options

| Your Choice options | Cash and Term Deposits | Diversified Bonds | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|----------------------|------------------|---------------|-----|---------|------|-----|-----------|--------------------------------|---|---|--|-------------|----------------------|------------------|-------------|------|-----------|--------------|----|---------|------|----|---------|--------------------------------|---|---|
| Options in risk order | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Description | Invests in a range of at-call bank deposits and short-dated term deposits, and may have a small allocation to other cash investments. It is expected to deliver a return above the official RBA cash rate over the long term. | Invests in Australian and international government bonds and other debt. This option aims for returns that typically outperform cash, but is more stable than shares in the short to medium-term. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment objective | Over the long term, to earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than the return (net of tax ^{**}) of the Bloomberg AusBond Bank Bill Index. | Over the long term, to earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than the return (net of tax ^{**}) of the combination of: <ul style="list-style-type: none"> • 50% Bloomberg AusBond Composite 0+ Year Index • 50% Barclays Capital Global Aggregate ex Australia Index Hedged to \$A | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Probable number of negative annual returns over 20 years | Less than 0.5 | 1 to less than 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk level | Very low | Low to medium | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Suggested minimum investment timeframe | Less than 1 year | 1 to 3 years | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Type of investor this option may suit | Very Cautious. Or an investor seeking to create their own diversified portfolio, who would like to include cash, cash products and term deposits. | An investor seeking to create their own diversified portfolio, who would like to include debt and other fixed interest investments. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic asset allocation |  <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>Term deposits</td><td>50%</td><td>0 - 60%</td></tr> <tr> <td>Cash</td><td>50%</td><td>40 - 100%</td></tr> <tr> <td>Currency exposure⁺</td><td>-</td><td>-</td></tr> </tbody> </table> | Asset class | Strategic allocation | Allocation range | Term deposits | 50% | 0 - 60% | Cash | 50% | 40 - 100% | Currency exposure ⁺ | - | - |  <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>Global debt</td><td>100%</td><td>50 - 100%</td></tr> <tr> <td>Alternatives</td><td>0%</td><td>0 - 30%</td></tr> <tr> <td>Cash</td><td>0%</td><td>0 - 25%</td></tr> <tr> <td>Currency exposure⁺</td><td>-</td><td>-</td></tr> </tbody> </table> | Asset class | Strategic allocation | Allocation range | Global debt | 100% | 50 - 100% | Alternatives | 0% | 0 - 30% | Cash | 0% | 0 - 25% | Currency exposure ⁺ | - | - |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Term deposits | 50% | 0 - 60% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 50% | 40 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure ⁺ | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Global debt | 100% | 50 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alternatives | 0% | 0 - 30% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 0% | 0 - 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure ⁺ | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Previously named Cash | Previously named Global Bonds | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall.

^{**} Estimated tax rate provided by independent investment consultant.

as at 30 June 2021

what we do

| Property and Infrastructure | International Shares | Australian Shares | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|------------------|----------------|-----|----------|----------|-----|----------|------|-----|---------|--------------------|----|----------|---|-------------|----------------------|------------------|----------------------|------|-----------|------|----|----------|--------------------|-------|----------|--|-------------|----------------------|------------------|-------------------|------|-----------|------|----|---------|--------------------|---|---|
| Invests in Australian and global property and infrastructure, along with some cash. This option aims to achieve medium to long term growth with some possible ups and downs, but is expected to be more stable than shares in the short-term. | Invests in a range of companies listed on stock exchanges around the world. This option aims to achieve strong growth over the long-term, with possible short-term ups and downs. | Invests in a range of companies listed on the Australian stock exchange, as well as a few that aren't. This option aims to achieve strong growth over the long-term, with possible short-term ups and downs. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Over the long term, to earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 3.0%. | Over the long term, to earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than the return (net of tax ^{##}) of the combination of: <ul style="list-style-type: none"> • 77.5% MSCI World ex Australia Index in \$A Net Dividends Reinvested • 22.5% MSCI Emerging Markets Index in \$A Net Dividends Reinvested • 50/50 \$A Hedged/Unhedged | Over the long term, to earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than the return (net of tax ^{##}) of the S&P/ASX 300 Accumulation Index. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 to less than 3 | 4 to less than 6 | 6 or greater | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medium | High | Very high | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 to 7 years | 7 to 10 years | 7 to 10 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| An investor seeking to create their own diversified portfolio, who would like to include property and infrastructure | An investor seeking to create their own diversified portfolio, who would like to include international shares. | An investor seeking to create their own diversified portfolio, who would like to include Australian Shares. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>Infrastructure</td><td>45%</td><td>30 - 70%</td></tr> <tr> <td>Property</td><td>45%</td><td>30 - 70%</td></tr> <tr> <td>Cash</td><td>10%</td><td>0 - 30%</td></tr> <tr> <td>Currency exposure*</td><td>0%</td><td>0 - 100%</td></tr> </tbody> </table> | Asset class | Strategic allocation | Allocation range | Infrastructure | 45% | 30 - 70% | Property | 45% | 30 - 70% | Cash | 10% | 0 - 30% | Currency exposure* | 0% | 0 - 100% | <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>International Shares</td><td>100%</td><td>90 - 100%</td></tr> <tr> <td>Cash</td><td>0%</td><td>0 - 100%</td></tr> <tr> <td>Currency exposure*</td><td>50.0%</td><td>0 - 100%</td></tr> </tbody> </table> | Asset class | Strategic allocation | Allocation range | International Shares | 100% | 90 - 100% | Cash | 0% | 0 - 100% | Currency exposure* | 50.0% | 0 - 100% | <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>Australian Shares</td><td>100%</td><td>90 - 100%</td></tr> <tr> <td>Cash</td><td>0%</td><td>0 - 10%</td></tr> <tr> <td>Currency exposure*</td><td>-</td><td>-</td></tr> </tbody> </table> | Asset class | Strategic allocation | Allocation range | Australian Shares | 100% | 90 - 100% | Cash | 0% | 0 - 10% | Currency exposure* | - | - |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Infrastructure | 45% | 30 - 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property | 45% | 30 - 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 10% | 0 - 30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure* | 0% | 0 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International Shares | 100% | 90 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 0% | 0 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure* | 50.0% | 0 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian Shares | 100% | 90 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 0% | 0 - 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure* | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Previously named Property | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Derivatives policy

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

The use of derivatives is common practice in investment management, and they fulfil an important role in the fund's overall investment strategy. Derivatives are an efficient way to improve risk-adjusted returns, as they assist in managing liquidity, transitions, costs and risk. In some cases, they can generate return.

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

Our managers are permitted to use derivatives to achieve their investment objectives, particularly to control risk and efficiently maintain desired exposures, within the constraints of their investment mandates. HESTA also uses derivatives directly to target or hedge positions (e.g. currency), to efficiently maintain asset allocation targets (e.g. equity futures). Where held directly, derivatives are not used speculatively, to gear the portfolio, or to create net short positions.

as at 30 June 2021

what we do

ready-made options (continued)

| Ready-Made options | Conservative |
|--|---|
| Options in risk order | |
| Description | Invests in a range of mainly debt and cash, with some exposure to shares, property and infrastructure. This option aims to achieve medium term growth with some possible ups and downs, but is expected to be more stable than Balanced Growth in the short term. |
| Investment objective* (long-term) | To earn a return (after-tax return for TTR), after investment fees and indirect costs, equivalent to or higher than: RIS: CPI + 2.5% TTR: CPI + 2.0% |
| Probable number of negative annual returns over 20 years | 1 to less than 2 |
| Risk level | Low to medium |
| Suggested minimum investment timeframe | 1 to 3 years |
| Type of investor this option may suit | Cautious |

Retirement Income Stream (RIS)

| Asset class | Strategic allocation | Allocation range |
|----------------------|----------------------|------------------|
| Australian shares | 11.5% | 5 - 20% |
| International shares | 10.5% | 5 - 15% |
| Private Equity | - | - |
| Alternatives | 6% | 0 - 15% |
| Infrastructure | 10.5% | 2 - 15% |
| Property | 8.5% | 2 - 15% |
| Global debt | 30% | 20 - 40% |
| Cash | 23% | 10 - 30% |
| Currency exposure* | 7.5% | 0 - 20% |

Transition to Retirement (TTR)

| Asset class | Strategic allocation | Allocation range |
|----------------------|----------------------|------------------|
| Australian shares | 11.5% | 5 - 20% |
| International shares | 10.5% | 5 - 15% |
| Private Equity | - | - |
| Alternatives | 6% | 0 - 15% |
| Infrastructure | 10.5% | 2 - 15% |
| Property | 8.5% | 2 - 15% |
| Global debt | 30% | 20 - 40% |
| Cash | 23% | 10 - 30% |
| Currency exposure* | 7.5% | 0 - 20% |

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall.

The investment objective for a TTR differs to a retirement income stream due to the taxed investment earnings on investments in a TTR.

* From 1 October 2020, TTR investment options were replaced with the same investment options as HESTA super. The past performance history shown here is indicative as it is based on the performance of the corresponding super options. For the past performance of the closed TTR options visit hesta.com.au/ttrperformance.

+ Currency exposure shows the strategic foreign currency exposure and the strategic foreign currency exposure range. We have the discretion to change the strategic foreign currency exposure at any time, within the ranges shown here.

as at 30 June 2021

Indexed Balanced Growth

Invests in a mix of low-cost asset class strategies that aims to closely match index returns.
This option aims to achieve medium to long term growth with some possible ups and downs in the short term.

To earn a return (after-tax return for TTR), after investment fees and indirect costs, equivalent to or higher than:

RIS: CPI + 3.0%

TTR: CPI + 2.5%

4 to less than 6

High

7 to 10 years

Ambitious

Retirement Income Stream (RIS)



| Asset class | Strategic allocation | Allocation range |
|----------------------|----------------------|------------------|
| Australian shares | 32% | 27 - 37% |
| International shares | 43% | 38 - 48% |
| Private Equity | - | - |
| Alternatives | - | - |
| Infrastructure | - | - |
| Property | - | - |
| Global debt | 20% | 15 - 25% |
| Cash | 5% | 0 - 10% |
| Currency exposure* | 21.5% | 0 - 35% |

Commenced 1 October 2020

Transition to Retirement (TTR)¹



| Asset class | Strategic allocation | Allocation range |
|----------------------|----------------------|------------------|
| Australian shares | 32% | 27 - 37% |
| International shares | 43% | 38 - 48% |
| Private Equity | - | - |
| Alternatives | - | - |
| Infrastructure | - | - |
| Property | - | - |
| Global debt | 20% | 15 - 25% |
| Cash | 5% | 0 - 10% |
| Currency exposure* | 21.5% | 0 - 35% |

Commenced 1 October 2020

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall.

Future returns shown will be net of investment fees, indirect costs and taxes. For more information about the investment fee and indirect costs see page 39. The Investment fee and Indirect Cost Ratio is an estimate only. The actual amount charged will depend on the actual costs incurred in 2021/22.

The investment objective for a TTR differs to a retirement income stream due to the taxed investment earnings on investments in a TTR.

* From 1 October 2020, TTR investment options were replaced with the same investment options as HESTA super. The past performance history shown here is indicative as it is based on the performance of the corresponding super options. For the past performance of the closed TTR options visit hesta.com.au/ttrperformance.

+ Currency exposure shows the strategic foreign currency exposure and the strategic foreign currency exposure range. We have the discretion to change the strategic foreign currency exposure at any time, within the ranges shown here.

ready-made options (continued)

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall.

The investment objective for a TTR differs to a retirement income stream due to the taxed investment earnings on investments in a TTR.

* From 1 October 2020, TTR investment options were replaced with the same investment options as HESTA super.

+ Currency exposure shows the strategic foreign currency exposure and the strategic foreign currency exposure range. We have the discretion to change the strategic foreign currency exposure at any time, within the ranges shown here.

as at 30 June 2021

High Growth

Invests in a wide range of primarily Australian and international shares, and private equity, along with some exposure to property, infrastructure, debt and cash. This option aims to achieve strong long term growth with some possible ups and downs that may be greater than Balanced Growth in the short term.

To earn a return (after-tax return for TTR), after investment fees and indirect costs, equivalent to or higher than:

RIS: CPI + 4.5%
TTR: CPI + 4.0%

4 to less than 6

High

7 to 10 years

Very ambitious

Retirement Income Stream (RIS)



| Asset class | Strategic allocation | Allocation range |
|----------------------|----------------------|------------------|
| Australian shares | 42% | 25 - 50% |
| International shares | 37.5% | 25 - 50% |
| Private Equity | 0% | 0 - 15% |
| Alternatives | 8.5% | 0 - 15% |
| Infrastructure | 4.5% | 0 - 10% |
| Property | 3.5% | 0 - 10% |
| Global debt | 2% | 0 - 10% |
| Cash | 2% | 0 - 25% |
| Currency exposure* | 25.0% | 0 - 50% |

Previously named Active

Transition to Retirement (TTR**)



| Asset class | Strategic allocation | Allocation range |
|----------------------|----------------------|------------------|
| Australian shares | 39% | 25 - 50% |
| International shares | 30.5% | 25 - 50% |
| Private Equity | 10% | 0 - 15% |
| Alternatives | 8.5% | 0 - 15% |
| Infrastructure | 4.5% | 0 - 10% |
| Property | 3.5% | 0 - 10% |
| Global debt | 2% | 0 - 10% |
| Cash | 2% | 0 - 25% |
| Currency exposure* | 25.0% | 0 - 50% |

Previously named Active

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall.

* Annualised return as at 30/6/2020. The returns shown are net of investment fees, indirect costs and taxes. For more information about the investment fee and indirect costs see page 39.

The Investment fee and Indirect Cost Ratio is an estimate only. The actual amount charged will depend on the actual costs incurred in 2021/22.



The investment objective for a TTR differs to a retirement income stream due to the taxed investment earnings on investments in a TTR.

** From 1 October 2020, TTR investment options were replaced with the same investment options as HESTA super.

+ Currency exposure shows the strategic foreign currency exposure and the strategic foreign currency exposure range. We have the discretion to change the strategic foreign currency exposure at any time, within the ranges shown here.

investment options

your choice options

| Your Choice options | Cash and Term Deposits | Diversified Bonds | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|----------------------|------------------|---------------|-----|---------|------|-----|-----------|--------------------------------|---|---|--|-------------|----------------------|------------------|-------------|------|-----------|--------------|----|-------|------|----|---------|--------------------------------|---|---|
| Options in risk order | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Description | Invests in a range of at-call bank deposits and short-dated term deposits, and may have a small allocation to other cash investments. It is expected to deliver a return above the official RBA cash rate over the long term. | Invests in Australian and international government bonds and other debt. This option aims for returns that typically outperform cash, but is more stable than shares in the short to medium term. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment objective | Over the long term, to earn a return (after-tax for TTR), after investment fees and indirect costs, equivalent to or higher than the return (net of tax ^{##} for TTR) of the Bloomberg Ausbond Bank Bill Index. | Over the long term, to earn a return (after-tax for TTR), after investment fees and indirect costs, equivalent to or higher than the return (net of tax ^{##} for TTR) of the combination of: <ul style="list-style-type: none"> • 50% Bloomberg AusBond Composite 0+ Year Index • 50% Barclays Capital Global Aggregate ex Australia Index Hedged to \$A. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Probable number of negative annual returns over 20 years | Less than 0.5 | 1 to less than 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk level | Very low | Low to medium | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Suggested minimum investment timeframe | Less than 1 year | 1 to 3 years | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Type of investor this option may suit | Very Cautious. Or an investor seeking to create their own diversified portfolio, who would like to include cash, cash products and term deposits. | An investor seeking to create their own diversified portfolio, who would like to include debt and other fixed interest investments. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic asset allocation for Retirement Income Stream (RIS) and Transition to Retirement (TTR) |  <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>Term deposits</td><td>50%</td><td>0 - 60%</td></tr> <tr> <td>Cash</td><td>50%</td><td>40 - 100%</td></tr> <tr> <td>Currency exposure⁺</td><td>-</td><td>-</td></tr> </tbody> </table> | Asset class | Strategic allocation | Allocation range | Term deposits | 50% | 0 - 60% | Cash | 50% | 40 - 100% | Currency exposure ⁺ | - | - |  <table> <thead> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> </thead> <tbody> <tr> <td>Global debt</td><td>100%</td><td>50 - 100%</td></tr> <tr> <td>Alternatives</td><td>0%</td><td>0-30%</td></tr> <tr> <td>Cash</td><td>0%</td><td>0 - 25%</td></tr> <tr> <td>Currency exposure⁺</td><td>-</td><td>-</td></tr> </tbody> </table> | Asset class | Strategic allocation | Allocation range | Global debt | 100% | 50 - 100% | Alternatives | 0% | 0-30% | Cash | 0% | 0 - 25% | Currency exposure ⁺ | - | - |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Term deposits | 50% | 0 - 60% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 50% | 40 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure ⁺ | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Global debt | 100% | 50 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alternatives | 0% | 0-30% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 0% | 0 - 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure ⁺ | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Previously named Core Pool | | Previously named Conservative Pool | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall.

^{##} Estimated tax rate provided by independent investment consultant.

⁺ Currency exposure shows the strategic foreign currency exposure and the strategic foreign currency exposure range. We have the discretion to change the strategic foreign currency exposure at any time, within the ranges shown here.

as at 30 June 2021

what we do

| Property and Infrastructure | International Shares | Australian Shares | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|------------------|----------------|-----|----------|----------|-----|----------|------|-----|---------|--------------------|------|----------|---|-------------|----------------------|------------------|----------------------|------|-----------|------|----|---------|--------------------|-------|---------|--|-------------|----------------------|------------------|-------------------|------|-----------|------|----|---------|--------------------|---|---|
| Invests in Australian and global property and infrastructure, along with some cash. This option aims to achieve medium to long term growth with some possible ups and downs, but is expected to be more stable than shares in the short term. | Invests in a range of companies listed on stock exchanges around the world. This option aims to achieve strong growth over the long term, with possible short term ups and downs. | Invests in a range of companies listed on the Australian stock exchange, as well as a few that aren't. This option aims to achieve strong growth over the long term, with possible short term ups and downs. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Over the long term, to earn a return (after-tax for TTR), after investment fees and indirect costs, equivalent to or higher than: RIS: CPI + 3.5% TTR: CPI + 3.0% | Over the long term, to earn a return (after-tax for TTR), after investment fees and indirect costs, equivalent to or higher than the return (net of tax** for TTR) of the combination of: <ul style="list-style-type: none"> • 77.5% MSCI World ex Australia Index in \$A Net Dividends Reinvested • 22.5% MSCI Emerging Markets Index in \$A Net Dividends Reinvested • 50/50 \$A Hedged/Unhedged. | Over the long term, to earn a return (after-tax for TTR), after investment fees and indirect costs, equivalent to or higher than the return (net of tax** for TTR) of the S&P/ASX 300 Accumulation Index. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 to less than 3 | 4 to less than 6 | 6 or greater | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medium | High | Very high | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 to 7 years | 7 to 10 years | 7 to 10 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| An investor seeking to create their own diversified portfolio, who would like to include property and infrastructure. | An investor seeking to create their own diversified portfolio, who would like to include international shares. | An investor seeking to create their own diversified portfolio, who would like to include Australian shares. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> <tr> <td>Infrastructure</td><td>45%</td><td>30 - 70%</td></tr> <tr> <td>Property</td><td>45%</td><td>30 - 70%</td></tr> <tr> <td>Cash</td><td>10%</td><td>0 - 30%</td></tr> <tr> <td>Currency exposure*</td><td>0.0%</td><td>0 - 100%</td></tr> </table> | Asset class | Strategic allocation | Allocation range | Infrastructure | 45% | 30 - 70% | Property | 45% | 30 - 70% | Cash | 10% | 0 - 30% | Currency exposure* | 0.0% | 0 - 100% | <table> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> <tr> <td>International Shares</td><td>100%</td><td>90 - 100%</td></tr> <tr> <td>Cash</td><td>0%</td><td>0 - 10%</td></tr> <tr> <td>Currency exposure*</td><td>50.0%</td><td>0 - 30%</td></tr> </table> | Asset class | Strategic allocation | Allocation range | International Shares | 100% | 90 - 100% | Cash | 0% | 0 - 10% | Currency exposure* | 50.0% | 0 - 30% | <table> <tr> <th>Asset class</th><th>Strategic allocation</th><th>Allocation range</th></tr> <tr> <td>Australian shares</td><td>100%</td><td>90 - 100%</td></tr> <tr> <td>Cash</td><td>0%</td><td>0 - 10%</td></tr> <tr> <td>Currency exposure*</td><td>-</td><td>-</td></tr> </table> | Asset class | Strategic allocation | Allocation range | Australian shares | 100% | 90 - 100% | Cash | 0% | 0 - 10% | Currency exposure* | - | - |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Infrastructure | 45% | 30 - 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property | 45% | 30 - 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 10% | 0 - 30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure* | 0.0% | 0 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International Shares | 100% | 90 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 0% | 0 - 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure* | 50.0% | 0 - 30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset class | Strategic allocation | Allocation range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian shares | 100% | 90 - 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 0% | 0 - 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Currency exposure* | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Previously named Eco Pool | | Previously named Shares Plus | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall.

** Estimated tax rate provided by independent investment consultant.

+ Currency exposure shows the strategic foreign currency exposure and the strategic foreign currency exposure range. We have the discretion to change the strategic foreign currency exposure at any time, within the ranges shown here.

case study: 40:40 Vision

In October 2020 HESTA launched 40:40 Vision, an ambitious investor-led initiative that aims to see women fill at least 40% of executive roles in the ASX200 by 2030.



The campaign has already attracted the support of prominent investors representing over \$1 trillion in assets under management who are committed to working collaboratively to drive structural change and achieve greater gender balance among the senior leadership of ASX200 companies.

The 40:40 Vision Investor Statement was launched with eight inaugural signatories: Aberdeen Standard Investments, BlackRock Australia, Ellerton Capital, Fidelity International, First Sentier Investors, IFM Investors, Pandal Group and WaveStone Capital. The Statement outlines investor commitments and expectations for companies on gender diversity in executive teams.

40:40 Vision also has the support of industry partners Chief Executive Women, the Australian Council of Superannuation Investors, 30% Club and the Workplace Gender Equality Agency.

Investors joining the initiative commit to engaging with ASX200 companies to encourage them to sign up to 40:40 Vision and pledge to achieve 40% women, 40% men and 20% any gender among C-suite roles by 2030 and to set clear and public targets towards this goal.

HESTA, along with other investors were concerned at the slow progress towards greater gender balance among the leadership of major listed companies, with just 30 ASX200 companies having at least 40% women in executive leadership in 2020.¹

HESTA sees a lack of gender diversity in leadership as a financial risk – companies that fail to consider 50% of the population for leadership positions risk missing out on the best people and the performance of the organisation will eventually suffer.

The 40:40 Vision initiative recognises the complexity and differences in organisational structure among ASX200 companies, giving flexibility for companies to set and develop their own plans and targets. HESTA wants to see real, genuine change. Investors have real power to engage with ASX200 companies on the gender diversity of their executive teams and influence change.

While we know improving the gender balance in major companies will benefit our members' investments, we also know that women in senior leadership are important champions for cultural change. More inclusive workplaces mean more career opportunities for women that can, over the long-term, improve their retirement outcomes.

To encourage progress, ASX200 companies that sign on to 40:40 Vision will commit to setting public gender composition targets for their executive team for 2023 and 2027 and reporting transparently on progress. 40:40 Vision will benchmark and track the gender split across all ASX200 companies to check progress towards the 40:40:20 target.

More information about 40:40 Vision is available at hesta.com.au/4040Vision

HESTA

investment performance

Ready-Made options

Annualised returns as at 30 June 2021 (% p.a.)

From 1 October 2020 Transition to Retirement investment options were replaced by the same investment options available to HESTA Super members. The performance shown on this page is for the corresponding HESTA Super investment options. Please visit hesta.com.au/performance for Transition to Retirement performance before 1 October 2020.

| Returns to 30 June 2021 | Since inception (% p.a.)** | 10 years (% p.a.)** | 5 years (% p.a.)** | 3 years (% p.a.)** | 1 year (%) |
|--------------------------|----------------------------|---------------------|--------------------|--------------------|------------|
| Balanced Growth† | 8.80% | 8.87% | 9.39% | 8.48% | 19.03% |
| Conservative* | 6.44% | 6.40% | 6.18% | 5.75% | 8.72% |
| Indexed Balanced Growth^ | 17.13% | - | - | - | - |
| Sustainable Growth§ | 7.27% | 11.28% | 11.78% | 11.93% | 23.03% |
| High Growth† | 8.87% | 10.18% | 11.41% | 10.54% | 24.92% |

* Refers to date of inception for the investment option. **Average annual return for the period. † Previously named Core Pool. Commenced 1 August 1987 |

* Previously named Conservative Pool. Commenced 1 July 1995 | ^ Commenced 1 October 2020 | § Previously named Eco Pool. Commenced 1 February 2000

† Previously named Shares Plus. Commenced 1 July 1995

Your Choice options

Average annual returns as at 30 June 2021 (% p.a.)

| Returns to 30 June 2021 | Since inception (% p.a.)** | 10 years (% p.a.)** | 5 years (% p.a.)** | 3 years (% p.a.)** | 1 year (%) |
|--|----------------------------|---------------------|--------------------|--------------------|------------|
| Cash and Term Deposits+ | 3.09% | 2.13% | 1.34% | 1.01% | 0.20% |
| Property and Infrastructure ^o | 6.38% | 7.35% | 5.73% | 3.53% | 9.00% |
| Diversified Bonds± | 5.16% | 4.53% | 3.02% | 3.69% | 1.56% |
| International Shares# | 6.26% | 12.17% | 14.45% | 13.59% | 34.36% |
| Australian Shares# | 9.22% | 9.38% | 10.80% | 9.20% | 26.93% |

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall. * Refers to date of inception for the investment option.

**Average annual return for the period. + Previously named Cash; changed to include Term Deposits on 1 Oct 2020. Performance history before 1 October 2020 based on Cash.

Commenced 1 July 2001 | ^o Previously named Property; changed to include Infrastructure on 1 Oct 2020. Performance history before 1 October 2020 based on Property.

Commenced 1 July 2001 | ± Previously named Global bonds. Commenced 1 July 2001 | # Commenced 1 July 2001

How returns are applied to HESTA accounts and HESTA Income Stream accounts

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

Annual investment returns reflect the change in the value of units between the unit price on June 30th and the unit price on June 30th the following year.

Before the end of the calendar year 2021, HESTA is intending to move to a daily unit price for each investment option, which will reflect the net movement in value of the underlying assets. This movement may be positive or negative. Daily unit pricing will not change the methodology behind how returns are calculated, it will only change the frequency.

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

The latest and historical returns are available for HESTA at hesta.com.au/performance HESTA Income Stream at hesta.com.au/isperformance and HESTA Transition to Retirement Income Stream at hesta.com.au/ttrperformance

Retirement income stream/ Term Allocated Pension (TAP) investment performance

Annualised returns as at 30 June 2021 (% p.a.)

| Returns to 30 June 2021 | Since inception (%) p.a.** | 10 year | 5 years (% p.a.)** | 3 years (% p.a.)** | 1 year (%) |
|--------------------------------------|-------------------------------|---------|-----------------------|-----------------------|---------------|
| Balanced Growth ⁺ | 6.15% | 9.63% | 10.25% | 9.68% | 19.79% |
| Conservative ^Ø | 5.86% | 7.10% | 6.73% | 6.41% | 9.36% |
| Indexed Balanced Growth [±] | 19.31% | - | - | - | - |
| Sustainable Growth [#] | 13.92% | - | 12.99% | 13.20% | 25.67% |
| High Growth [#] | 6.52% | 11.42% | 12.73% | 11.46% | 27.13% |

**Average annual return for the period.

⁺ Previously named Balanced. Commenced 12 December 2007 | ^{*} Commenced 12 December 2007 | [^] Commenced 1 October 2020 |

^Ø Previously named Eco. Commenced 1 July 2012 | [#] Previously named Active. Commenced 12 December 2007

Your Choice options

Annualised returns as at 30 June 2021 (% p.a.)

| Returns to 30 June 2021 | Since inception (%) p.a.** | 10 year | 5 years (% p.a.)** | 3 years (% p.a.)** | 1 year (%) |
|--|-------------------------------|---------|-----------------------|-----------------------|---------------|
| Cash and Term Deposits ⁺ | 2.95% | 2.41% | 1.50% | 1.15% | 0.23% |
| Property and Infrastructure ^Ø | 2.44% | 8.00% | 6.83% | 3.88% | 9.62% |
| Diversified Bonds [±] | -0.56% | - | - | - | - |
| International Shares [#] | 9.16% | 13.56% | 15.60% | 14.79% | 36.71% |
| Australian Shares [#] | 7.99% | 9.89% | 11.40% | 10.33% | 28.83% |

**Average annual return for the period.

⁺ Previously named Cash; Changed to include Term Deposits on 1 Oct 2020. Performance history before 1 October 2020 based on Cash. Commenced 1 July 2008 |

^Ø Previously named Property; Changed to include Infrastructure on 1 Oct 2020. Performance history before 1 October 2020 based on Property. Commenced 12 December 2007 |

[±] Commenced 1 October 2020 | [#] Commenced 1 July 2008

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall. Returns are annualised for the periods and net of investment fees, indirect costs and taxes.

* Note that performance numbers for Income Stream options have been used in Transition to Retirement options for 10 years / 7 years / 5 years / 3 years numbers prior to 01/07/2017. Investments may rise or fall.

Note: Performance figures for financial years prior to 2011/12 include figures for the Super Members Pooled Super Trust (SMPST) through which the HESTA Income Stream invested until 30 November 2010.

> Looking forward

Moving our focus to the financial year 2021/2022, we started from a strong baseline thanks to a resilient global recovery from the pandemic-induced recession. Australia has displayed one of the strongest economic recoveries in the world, with economic output now exceeding pre-COVID levels. While many of our members have continued to experience heightened demand across the healthcare sector, other sectors will take longer to recover as COVID-19 restrictions are gradually eased.

As we look forward, the current monetary and fiscal environment will likely change. Presently, record-low interest rates and government stimulus have created an accommodative environment for financial markets and economic growth. However, accompanying this rapid growth is inflationary pressure. If pressure builds beyond short-term transitory effects, central banks will need to consider raising interest rates ahead of near-term targets. Similarly, governments have signalled that they will withdraw stimulus measures.







Navigating this changing terrain, and the potential impact on asset class valuations, will be key to delivering strong investment returns. As always, this remains the unwavering commitment of our investment team. To help us achieve these objectives, we will soon commence our internal trading of Australian Equities. This step is part of a wider strategy to internalise the trading of other asset classes, and in doing so, improve investment performance and reduce cost.







As we cast our sight globally, there is exciting progress being made on climate action. We are seeing governments and corporations setting increasingly more ambitious greenhouse gas reduction targets. At HESTA, we support this call for accelerated action, which is critical to manage the long-term systemic financial risks of climate change. At the same time, we believe there will be investment opportunities for those who adapt first. At HESTA, our climate change transition plan is guiding our commitment to adapt and achieve a carbon neutral portfolio by 2050.

impact investments

HESTA thinks and acts holistically about how we achieve sustainable investment returns, while contributing to a healthier society and planet.

Our impact investments aim to earn both a financial return and have a measurable social or environmental impact. Combined with our engagement program, this approach helps us drive meaningful change for generations to come. We have developed a public position for each of our areas of focus.

| THEMATIC | INVESTMENT | ENGAGEMENT | APPLICABLE SDGS |
|------------------------------|---|--|--|
| Health and wellbeing | <ul style="list-style-type: none"> The Medical Research Commercialisation Fund supports the development of very early-stage biomedical discoveries to guide the successful development of new therapies. Investment in Australian Unity Mutual Capital Instrument (MIC), a long term investment in contributing to building Australia's social infrastructure. | <ul style="list-style-type: none"> HESTA pledged its support to equitable access to COVID-19 vaccines worldwide by signing the Access to Medicines Foundation investor statement. HESTA was pleased to voice its support for higher standards across the nursing home sector by becoming a signatory on the Investor Statement of Expectations for the Nursing Home sector. |  |
| Gender Equality | <ul style="list-style-type: none"> Leapfrog invests in businesses that respond to the needs of low income woman, 45.8% of customers are female. Conducted survey across HESTA's investment partners to understand how they're progressing with Gender Diversity in their organisations. | <ul style="list-style-type: none"> 40:40 Vision achieved a milestone with 10 ASX Listed companies pledging to achieve 40:40:20 gender balance in leadership teams by 2030. After nearly a decade of advocating by HESTA, the \$450 Super Guarantee threshold was scrapped by the government. |   |
| Housing affordability | <ul style="list-style-type: none"> Investment in the National Housing Finance and Investment Corporation (NHFIC)'s first Sustainability Bond, providing funding to support the delivery of new social and affordable homes in Melbourne. Additional investment in NHFIC's Social Bond issuance, helping low income and vulnerable Australians access affordable housing. | <ul style="list-style-type: none"> A member of the Australian Institute of Superannuation Trustees (AIST) working group on affordable housing. HESTA participated in the Victorian Government Build-to-Rent roundtable. |  |
| Decent Work | <ul style="list-style-type: none"> My Plan Manager offers individualised NDIS plan management, in meaningful and transparent ways, to help people navigate the complexities and ongoing responsibilities of being a NDIS participant. Burning Glass supplies real-time labour market data to create a genetic map of the job market and data to enable companies, educators and the public sector help combat the skills gap. | <ul style="list-style-type: none"> HESTA's first Modern Slavery Statement was published, after an engagement program with investment managers and material service providers. HESTA made a submission to the COVID-19 Commission Advisory Board calling on the government to invest with us in overcoming systemic weaknesses to ensure stable and sustainable employment in sectors with predominantly female workforces. HESTA released the State of the sector: 2021, an Aged Care Insights Report, a workforce report offering unique insights that can help shape the sector's future. |   |

| THEMATIC | INVESTMENT | ENGAGEMENT | APPLICABLE SDGS |
|--|---|---|---|
| Working with Indigenous communities | <ul style="list-style-type: none"> After a comprehensive engagement program, Rio Tinto announced they would support increased transparency towards cultural heritage and announced a number of enhanced disclosure initiatives. HESTA actively engaged Woolworths (WOW) on their proposed Dan Murphy's Darwin liquor store development in close proximity to dry communities. After the engagement, WOW launched an independent review which led to the project being abandoned. | | <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>3 GOOD HEALTH AND WELL-BEING</p>  |
| Water | <ul style="list-style-type: none"> Wyuna Water operates two water filtration plants in Illawarra and Woronora, NSW through to 2036. The plants provide water to more than 500,000 people on behalf of Sydney Water Corporation and have a combined treatment capacity of 370 ML/day. Anglian water, a British water company, is rolling out technology traditionally used for submarine navigation to detect leaks in its pipes as part of a targeted 22% leak reduction by 2025. | <ul style="list-style-type: none"> Joined the Ceres Valuing Water Finance Task Force, seeking to drive corporate action on water-related financial risks and build on success from engaging corporate leaders on sustainable water practices and water risk. | <p>6 CLEAN WATER AND SANITATION</p>  |
| Climate Change | <ul style="list-style-type: none"> Our portfolio of wind and solar farms in Australia are capable of generating 400MW of energy, equivalent to powering over 200,000 homes every year. Annually, the energy it generates offsets 640,000 tonnes of carbon dioxide emissions into the environment. ISPT, a property trust HESTA has committed to investing in is rolling out solar panels across over 50 of their properties in Australia. Introduced a lower carbon passive strategy in the developed equities portfolio. Viridor, a leading waste process and recycling company is driving the circular economy transition in the U.K. Waste Industry. Both landfilling and dumping are highly unsustainable solutions, using large areas of land and resulting in the release of significant environmental pollutants. By operating collections, recycling and energy recovery facilities, Viridor is contributing to a more sustainable future and has developed a decarbonization strategy to be net-zero by 2040 and net negative by 2045. | <ul style="list-style-type: none"> HESTA is the lead engagement partner, through Climate Action 100+, with South32, a diversified global mining and metals company who announced their intention to achieve a 50% reduction in Scope 1 and 2 operational emissions by FY2035. We were proud to become a Champion for Better Futures Australia, a cross-sector collaborative aiming to drive climate change in Australia. The group wrote to Prime Minister Scott Morrison signalling a need for urgent climate action to protect the health of Australians. To celebrate the efforts of health and community services professionals in developing more sustainable business practices, we launched the HESTA Impact Awards, inspired by the SDGs. Signed the 2021 Global Investor Statement to Governments on the Climate Crisis, calling on governments globally to accelerate action on climate change. | <p>7 AFFORDABLE AND CLEAN ENERGY</p>  <p>13 CLIMATE ACTION</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  |

impact investments

case study

Climate Change Transition Plan

We announced the development of an ambitious Climate Change Transition Plan (CCTP) that will see HESTA reducing the absolute carbon emissions in the investment portfolio by 33% by 2030 and to be 'net zero' by 2050.

Net zero by 2050. This pathway seeks to align our actions and investments with the goals of the Paris Agreement, the steps we are taking our outlined in the fund's first report using the Taskforce Climate Related Financial Disclosure (TCFD) framework.

This is an exciting piece of work that reaffirms our ongoing commitment to leadership in responsible investment and can help protect and enhance the long-term performance of our members' investments, while driving meaningful change and contributing to a healthier planet and society.

We know our members in health and community services care deeply about climate change and that's why we're committed to sustained, long-term action to transition our investment portfolio for a low-carbon future.

More information about our Climate Change Transition Plan is available at hesta.com.au/impact.

case study

Cultural heritage and relationships with Indigenous communities

As long-term investors, we believe that strong and respectful stakeholder relationships are essential to realising long-term company value. Following the tragic destruction of significant cultural heritage at Juukan Gorge by Rio Tinto, HESTA has focused on the systemic risks posed by poor quality relationships between companies and Indigenous communities.

HESTA has been instrumental in facilitating investor collaboration after the destruction at Juukan Gorge. We led an engagement supported by a group of Australian, UK and European investors that advocated for key commitments to give investors confidence that Rio was making progress on managing cultural heritage and rebuilding trust with the Traditional Owners of the country on which they operate.

We have also met with a significant number of other resource companies to communicate our expectations of them in fostering respectful partnerships with Indigenous communities.

As part of this work, HESTA has built relationships with Indigenous leaders and peak bodies and advocated for improved cultural heritage legislation.

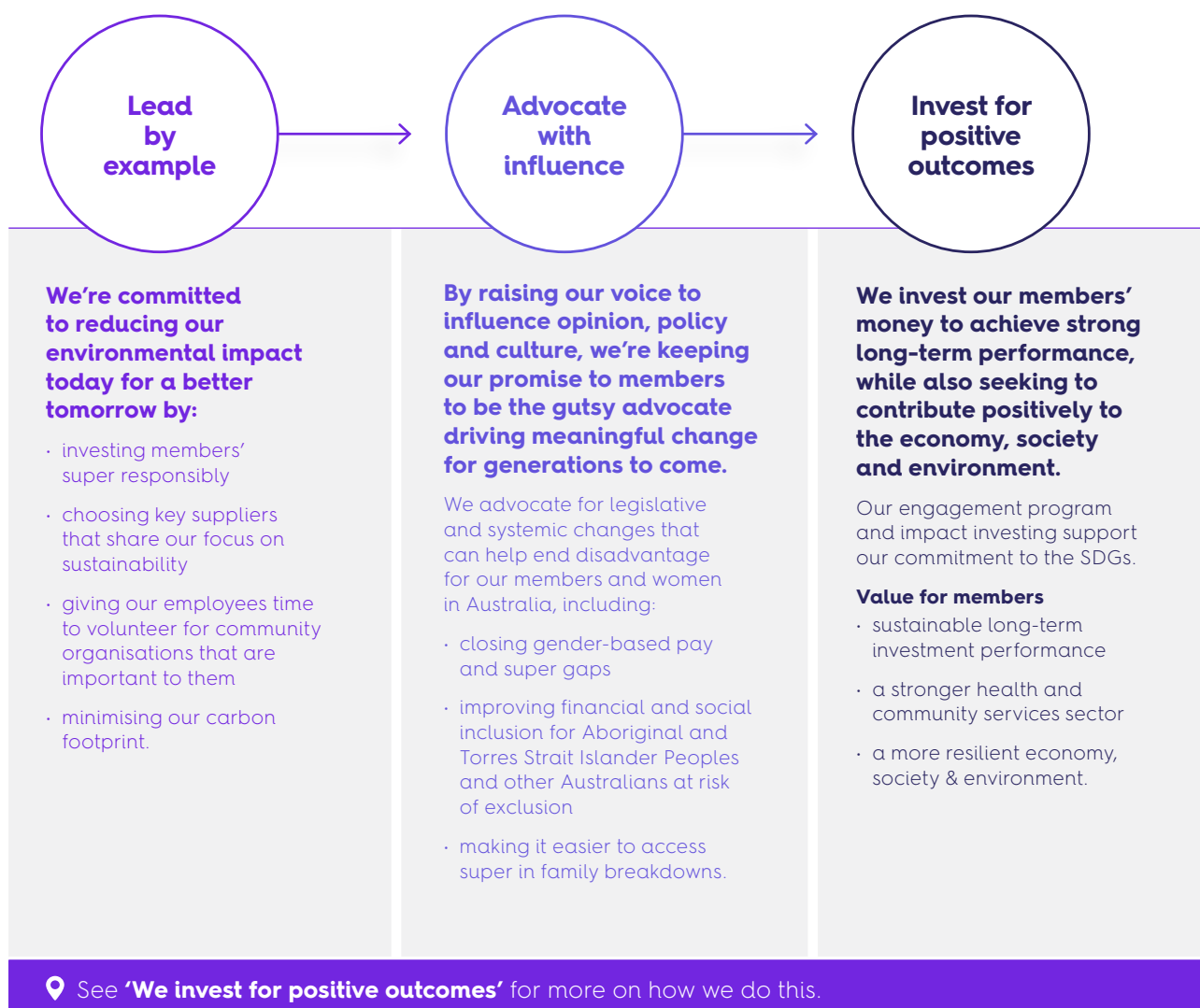
We know that many of our members have dedicated their lives to reconciliation through improved health and wellbeing outcomes for Indigenous communities and it's important that steps towards reconciliation are also reflected in the actions of companies in the investment portfolio.

we stand up for what's right

> Why this matters to us

Creating strong financial returns for our members is the reason HESTA exists. With the Sustainable Development Goals (SDGs) as our compass, we're using our influence to drive meaningful change for members. We lead by example, we advocate with influence and we invest for positive outcomes. We do this to make a real difference to our members' financial future, and to the world into which they'll retire.

> How we create value



> Our performance

We measure our Impact performance in how we act, what we say and how we invest.

How we act

HESTA became the first standalone super fund to be certified by the Federal Department of Environment and Energy as Carbon Neutral for emissions produced from its business operations. The certification is recognition of our long-term commitment to leadership in sustainability. We understand our actions have a lasting effect, which is why over many years we've embedded carbon reduction initiatives across all of our business operations.

HESTA has an enduring focus through our corporate responsibility plan to be efficient and achieve carbon neutrality in our operations. Sustainability is a core part of how we create ongoing efficiencies that benefit members.

Over-time we have transitioned the way we operate to first and foremost look at ways to reduce our impact on the environment and then secondly analyse our direct and indirect emissions and work with our suppliers and partners to ensure they also operate sustainably. We carefully consider how we offset our carbon footprint. We have purchased a limited number of certified offsets including in savanna burning projects that support Aboriginal employment in the Northern Kimberly region of WA and tree planting initiatives in North-Western NSW and the Babinda rainforest..

What we say

HESTA aims to be the gutsy advocate driving meaningful change for generations to come. We are actively involved in public policy debates that affect our members financial future and women more broadly. An example of our work is the Vital Signs report that took a pulse check of the state of equality for women in Australia and outlines HESTA's continuing efforts to make a positive impact through advocacy, investment, and our conduct as an organisation. We engage directly with decision makers and also contribute to policy debates through our membership of Industry Super Australia, the Association of Superannuation Funds of Australia, and the Australian Institute of Superannuation Trustees.

The carbon neutral certification is granted by the Australian Government and is based on international standards and best practice carbon accounting. HESTA achieved the certification following a rigorous process including carbon accounting, independent auditing and public disclosure.

This year we made numerous submissions to proposals for regulatory change. You can read them here hesta.com.au/about-us/media-centre

Our Reconciliation Action Plan and our Financial Inclusion Action Plan continue to guide or advocacy efforts.

case study

HESTA and Good Shepherd – Vulnerable Members

HESTA's purpose is to help our members face the future with confidence and make a real difference for them.

We seek to help every member in any way we can. We also recognise that sometimes members may have a vulnerability and require additional support when they are interacting with us.

At all times HESTA seeks to engage with members in a dignified, respectful and compassionate manner.

HESTA has been working with Good Shepherd Australia New Zealand (GSA) to develop a referrals program for HESTA members that are not eligible for early release or an insurance claim, but still need support, which sits outside of our scope as a superfund.

It can also include members who may be experiencing family violence.

The key desired outcome is to provide an end-to-end referral process for a HESTA member. This involves being triaged to the most appropriate service that could best cater directly to the members' situation and needs.

Depending on the members' individual situation, it can take a lot of courage to call in the first instance, state their situation and ask for help. It is important that we bridge this gap for the member and directly refer them to a central point that can provide assistance moving forward.

> Looking forward

The future will see HESTA continue to drive meaningful change for our members, society and environment. We will keep pushing for system changes that can help close the persistent gender gap in wages, salaries and super which sees women earn and retire with less than men. We will continue to invest in projects that help address growing social challenges such as housing affordability for women.

we understand our members

> Why this matters to us

Our members are extraordinary people. Their work in health and community services makes a priceless contribution to our community. Every HESTA member should be able to look forward to a retirement that rewards their life's work.

We aim to be our members' fund for life. That means delivering products and services that can make a real difference to their financial future. And because more than 80 per cent of our members are women, it also means delivering support that helps bridge the challenges women face in building their retirement savings.

By supporting each member's individual needs and choices at every step along their journey, we can help them achieve their goals. And by partnering with their sector as a service provider, investor, insights leader and advocate, we're supporting them now and throughout their retirement.

> How we create value

| | |
|--|--|
| Industry super fund | <p>Our members are with a fund that was founded by and for their industry. All profits go to them, not to shareholders.</p> <p>Every member can feel confident that:</p> <ul style="list-style-type: none">• all profits go to our members• we keep our fees down and our costs low• we aim to deliver strong long-term performance. |
| Education and advice | <p>High quality financial advice can change lives. Our advice service is one of the important ways we help members build confidence about their super and help improve their financial futures.</p> <p>With dedicated Member Engagement teams located nationally, our team focuses on making sure our members get the help they need first time. This is delivered through:</p> <ul style="list-style-type: none">• self-service online – digital tools help members to access information at a time that suits them• member helpline – providing answers, support and reassurance via phone, chat and email• dedicated general help – delivered at members' workplaces, over the phone or via information sessions and seminars online and in person. General help builds members' financial capability and confidence to take action• specialised personal help – for members that want the next level of support, this is delivered by HESTA Advisers over the phone and in person• comprehensive financial planning for members and their spouses. <p>Our members pay no additional fee for advice on their HESTA super account.</p> |
| Partnering with health and community services | <p>Our partnership with the sector, through our relationships with employers, unions and other partners, connects us to our members and the issues affecting them.</p> <p>≥ We partner with purpose (page 64) for more on how we do this.</p> |

we understand our members

> How we create value

| | |
|------------------------------|---|
| Investments | <p>We invest members' money responsibly, with a focus on strong, sustainable, long-term performance.</p> <p>Our members can choose the level of return they want to aim for and level of risk they're comfortable with.</p> <p>➤ We invest for positive outcomes (page 28) for more on how we do this.</p> |
| Insurance | <p>Our members have access to 24/7 insurance cover designed to meet the needs of people in health and community services. For some members this is the only cover they have. This important benefit protects them and the valuable contribution they make to our community. We know understanding what level of cover is right for them can be complicated. We offer a range of resources to help, from an Insurance Cover Calculator on our website to insurance adequacy advice from our Member Engagement team, over the phone and in person. Members can also pause their insurance premiums for up to 12 months while on parental leave, a particularly important benefit for our more than 722,579 female members who might choose to receive or maintain cover.</p> <p>In 2021 we undertook some changes to our insurance arrangements. Our Standard Income Protection coverage now provides a maximum 5 year benefit payment period, with a 90 day waiting period with cover ceasing at age 67. Members automatically receive 2 units of Standard Income Protection coverage (\$1,000 per month) and 2 units of death coverage when automatically eligible. These changes were undertaken to manage affordability, providing members with a benefit that better reflects the needs of our typical member.</p> |
| Research and insights | <p>We're developing our capability to better understand what individual members need, and support them with the right solutions at the time and place they need them.</p> <p>We're using that data to help inform members on the next best action they can take to reach their goals.</p> <p>➤ Our research and insights on (page 24) for more on how we do this.</p> |
| Advocacy | <p>Women face unique challenges in building their retirement savings. To forge a fairer future for our 80 per cent female membership, we advocate for changes to the super system.</p> <p>➤ We stand up for what's right (page 52) for more on how we do this.</p> |
| HESTA Income Stream | <p>Our members can stay with HESTA throughout their retirement with our income stream product. The income stream ensures members can continue to enjoy all the benefits of being with HESTA while accessing a regular income as transition out of full-time work.</p> |
| Digital support | <p>Our members have told us that when it comes to drivers of satisfaction, HESTA's digital experience is on par with return for fees paid. With a growing proportion of HESTA members engaging with us through Member Online, Digital has become a channel of choice for our members.</p> <p>We continue to grow and invest in our digital capability to build and enhance engaging, accessible and increasingly personalised online experiences that can drive better retirement outcomes for HESTA members.</p> |

employee profile

Andy George is a Superannuation Specialist in Perth.

comfort in understanding



Growing up in Perth, Andy George spent more time thinking about AFL football and cricket than he did about finances.

After finishing school and studying Health & Sport Science at The University of Western Australia, Andy landed his first job at Core Equity Service as a retail broking representative. Quickly, Andy discovered his passion was education – helping people learn to better manage their finances and ultimately improve their financial situation.

Andy spent 12 years working in a variety of member education and personal advice roles across the financial services industry, before joining the Member Education team at HESTA.

Member education is a natural fit for Andy, who's always been interested in the decisions people make when faced with the infinite choices on what to spend their money. "Most importantly, when it comes to superannuation, it's great to retire and actually have choices because you've received advice and you're in a good financial position," says Andy.

Andy believes that when it comes to managing your finances well, education provides you with the tools you need. "I've always enjoyed working with people around education and guidance as it helps to develop and empower people to make positive changes to their situation."

"I love speaking with our members – they really are wonderful people, who do amazing things in our community. I love hearing what they do, what's important to them and understanding what they want out of life.

"I then take that information and help them work towards those aspirations.

"It's an absolute privilege to be able to support these people that work so hard for the community to achieve their financial goals."

Education helps people to think about what's important to them and what they want from their lifestyle both while they're working and in retirement. Andy believes it's his role to open our members' minds and help them to think through what's most important to them. He's also a firm believer in the value of professional financial advice and the importance of putting plans in place to help achieve your lifestyle goals.

Andy loves to see people get the most out of life and the opportunities they have. "I understand that being financially comfortable certainly helps with these things, so if there's anything I can do to help our members to also live their best life – I'm in."

> Our performance

How we deliver value

We know personal connection matters, and this was never more evident than through COVID. Periods of employment uncertainty resulted in financial distress for many, and we rapidly adjusted to support and deliver for our members in their time of need.

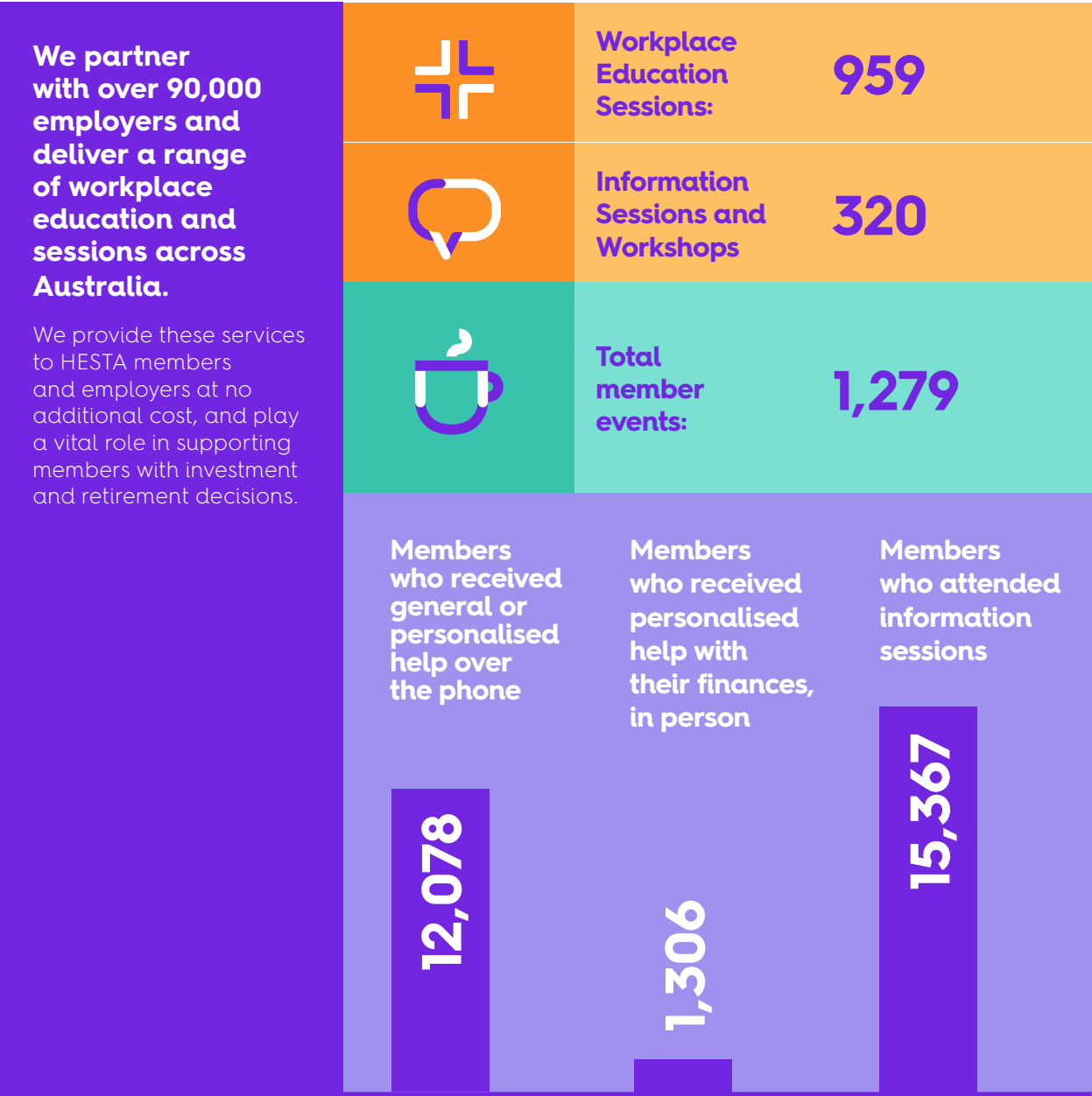
We increased capability and capacity to service more enquiries and help members via phone and online bookings, using our new booking system to arrange to call members back at a time convenient to them. Due to sustained member demand, we added another five team members to our general help phone team during the reporting period.

We also held live interactive information sessions, with over 2,098 members registering to attend these, and introduced QR codes to make it easier for members to book appointments with the advice team.

Video recordings of webinars were available to members who could not find an online session to suit their schedule.

Our teams can now also help prospective members who request to join HESTA over the phone, in workplaces and online. We can help members with their questions and take action to consolidate or contribute to their super.

Satisfaction with our services and ease of accessing them, despite the challenges that COVID presented, remained consistent and highly rated by our members with an overall satisfaction rate of 81.6% for contact centre help.



Member experience

Our focus has been improving our members' experience at every touchpoint, so that they can act easily to improve their financial future.

Online information sessions were delivered regularly as we adapted our services, with over 1,195 attending online alone. Members appreciated being able to watch live from their homes during lockdown.

We also held in-person sessions during the times we weren't in lockdown and had 4,028 people attend in total.

While our Member Contact Centre handled more calls than any other year, answering 400,411, we also introduced initiatives that saw a reduction of basic super or account queries. Some of these included:

- allowing members to access their super early
- a dedicated team proactively contacting members who had requested early access to super to cover living expenses
- a Customer Care team to support members who called multiple times to have their enquiry resolved

Satisfaction was high with a net promotor score of +41.4 and 57% of members surveyed stating it was "very easy" to get advice.

The process to help new members sign up over the phone was extended to our teams who attend member workplaces.

When a prospective member approaches a representative to join HESTA, we can now help them join on the spot quickly and easily.

HESTA advice outcomes

Our phone advice team helped empower

5,717 members



Our advisers delivered more personal advice than ever before, to...

277 members



Our wider engagement team spoke to, via phone, conference call, in worksites and in seminars and workshops, online and face to face:

21,468 members



Statement of Advice (SoAs) Implemented by end of year:

94.9%



Digital support

The global COVID pandemic has been the catalyst for a rapid acceleration towards digital channels by consumers. HESTA's new Member Online digital member experience was introduced in 2020 and as a modern, experience led digital platform - it has allowed our members to engage with and manage their accounts easily and more effectively than ever before.

With continuous improvement and growth in digital services offered, Member Online has produced strong results that continue to trend positively.

- With a full year member satisfaction score of 7.6, Member online has now started to drive advocacy of the HESTA brand from our members. This was reflected in our NPS finishing the year off with a monthly score of 45 – a historical high for our digital service.
- The engagement members have with HESTA through their Member online account is reflected in the count of registered members rising to 467,000 members who have now logged into their new Member Online account.
- In June alone, HESTA recorded over 89,000 logins to Member Online. Members are engaging with the services available to simply obtain information or make the changes they need to their account.

member spotlight



MEET: Robert and his wife Maria

"Daniel Callaghan was instrumental in setting up our income streams and we've recently visited him again for a financial review. The information and guidance provided by Daniel has been invaluable. I would have no hesitation in recommending anyone who is nearing retirement to seek expert financial advice."

- Robert, member since 2017.

INSURANCE SNAPSHOT

FY21

> **\$156m**
paid claims

> **\$51m**

in death benefits
paid to our members'
dependants or as
terminal illness benefits
paid to our members

more than

\$96m

in ongoing income
protection paid

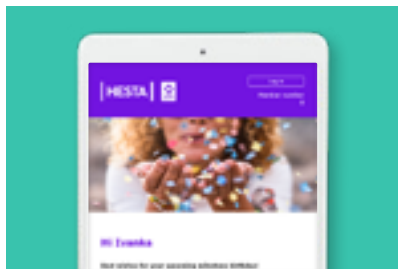
> **\$8.4m**

released to permanently
incapacitated members

95%

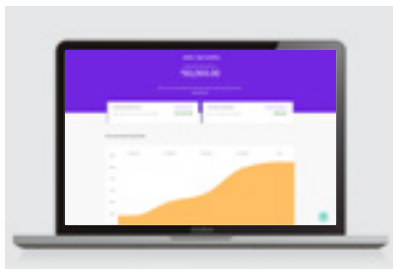
claims paid

creating better member experiences



Member milestones

We want members to feel recognised and celebrated for their efforts when they reach key milestones, either in their lives, or towards retirement planning. Our milestones communications aim to help members prepare for what they might want to think about in the years after each significant life event.

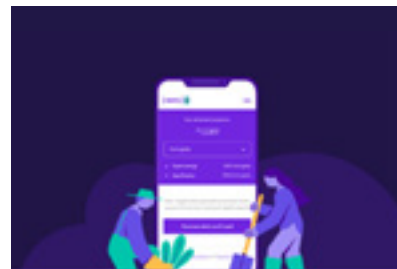


Super Checkpoint

This personalised interactive dashboard shows members how their super is going and how they can help it grow.

The dashboard delivers a series of suggested actions relevant to each member, based on the member's personal situation and any previous actions they've taken.

An email encouraging members to 'check in' with their super via their Super Checkpoint was delivered in April, reaching some 670,000 members.



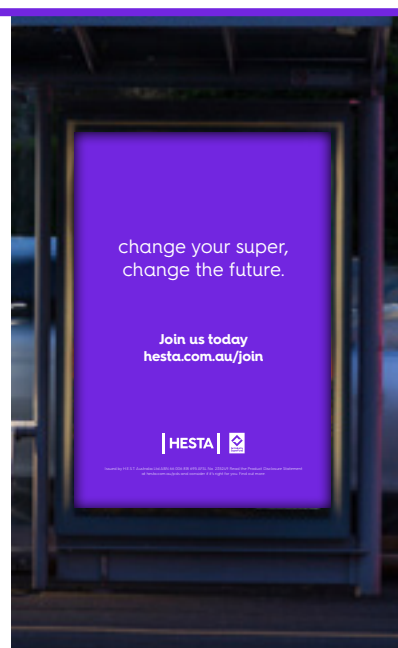
Future Planner

Our new online tool for super members, Future Planner, aims to empower them to plan for their financial future. Members can work out how much money they might need in retirement; see how much money they're projected to have; and explore options to grow their super.

Change your super, change the future

In FY20 we introduced a new campaign that was highly targeted at our younger generation to increase awareness, to grow the fund to provide long term value for our members. This campaign highlighted our action on issues such as climate action, housing affordability and gender equality. However these issues aren't exclusive to a younger audience and in FY21 we extended this campaign to appeal to a broader audience.

The Impact creative plays a major role in our advertising communications, and is featured across television, outdoor billboards, radio, digital and social media. We're incredibly proud of this campaign as it highlights the positive impact that HESTA makes for and on behalf of our members, the community and society. As a result of the campaign we have seen an uplift of HESTA as the fund of choice for members and non-members and consideration to switch for those who are not yet a member of HESTA, which in turn provides growth to the fund.



> Looking forward

The COVID-19 pandemic has shown us how incredibly adaptable our members are and how important it is to stay connected with them, especially during times of need.

More than ever, HESTA continues to build on how and when members can access the support and information they need to take the next step in their financial journey.

Our engagement teams continue to deliver services at every step of the way, and with more flexibility and capability each year. This includes developing and expanding our digital capability to meet our members' changing expectations and deliver timely online support and guidance.

Despite these technological advances, one thing remains constant: we are absolutely committed to meeting our members' needs, right now and into the future.

we partner with purpose

> Why this matters to us

HESTA is founded on our close partnership with Australia's health and community services sector. Our relationships with employers, unions, peak bodies and associations and other key partners are central to delivering better outcomes for our members in retirement. And we're equally committed to supporting the sector's invaluable contribution to our community.

This has never been more important than during the COVID-19 pandemic that has continued into 2021. HESTA believes this will only increase support for and recognition of the amazing work the sector does.

We have an important role to play in promoting the significance of the sector and contributing to how it reshapes and adjusts for a post-COVID world.

> How we create value



> Our performance

Direct engagement with our partners

Our ongoing association with and support of the health and community services sector has seen our new default employers increase by 216% from last year, highlighting the value HESTA is creating for our partners.



*These are a combination of physical and virtual events.

case study

Partnering with SCOPE

Our partnership with SCOPE will give HESTA members a more accessible way to read and understand superannuation information through their Easy English approach. For all members, but especially those with a disability or low English literacy, this is a valuable opportunity to improve their experience with super education and help them plan for a better financial future.

Previously, members wanting help to understand complex superannuation concepts needed to engage family members for support. SCOPE's Easy English writing style will enable HESTA to make our information concise and easy to understand. It uses simple language and carefully selected images to support key messages and increase readability.

By working with SCOPE, HESTA's education team has broadened its coverage of members and, importantly, enhanced our relationship with a key national employer.



awards

HESTA Awards

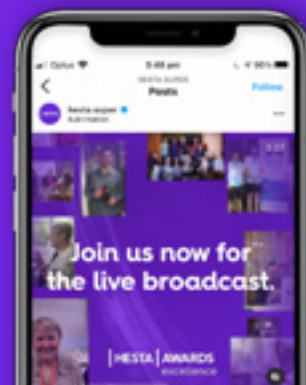
The Awards program continues to strengthen our deep connection to the health and community services sector, celebrating exceptional work in nursing and midwifery, aged care, community services, disability services, allied health and early childhood education and care.

And by amplifying the winners' and finalists' stories across our advertising and communications, we're attracting and retaining members to grow the fund and keep delivering benefits of scale.

The 2021 HESTA Australian Nursing & Midwifery Awards saw us return to an in-person celebration, adhering to strict COVID regulations.

The dinner, held on 6 May at the Melbourne Convention & Exhibition Centre had around 200 guests attend.

The experience delivered an engaging evening of celebration that received an overwhelming positive response from guests.



Nurse of the Year

Shannon Philp
Chris O'Brien Lifehouse
and Susan Wakil School
of Nursing and Midwifery,
The University of Sydney

Recognised for her contribution to nursing education and patient-centred care, particularly for women with gynaecological cancers.



Midwife of the Year

Janelle Dillon
Bega Garnbirringu

Recognised for her tireless to create a safe space for Aboriginal and Torres Strait Islander women to receive pregnancy care in Kalgoorlie, WA.



Outstanding Organisation

Ramsay Health Care
Australia

Recognised for their work to improve environmental sustainability across its facilities, including through cutting down greenhouse gas emissions and single-use plastics.

(Chanelle McEnallay accepted this award on behalf of Ramsay Health Care Australia.)

> Looking forward

The HESTA Business Development Team continues to actively build relationships with key national and state employer groups across the health and community services sector. A further focus on our data insights will enable us to gain more intelligence to narrow our targets from a state-based perspective and increase our market share within the sector. This will enable more opportunities for fund growth to benefit all our members.

financial statements

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together
is better

success is always
achieved as a team

financial statements

The following Statement of Financial Position, Income Statement and Statement of Changes in Member Benefits are extracts of the audited Financial Statements of the Fund for the year ended 30 June 2021. Visit hesta.com.au/disclosure or call 1800 813 327 to request a copy of the full Financial Statements.

Statement of financial position

| | 30 June 2021 \$'000 | 30 June 2020 \$'000 |
|--|------------------------|------------------------|
| Assets | | |
| Cash at Bank | 102,007 | 32,837 |
| Receivables and other assets | 146,322 | 108,451 |
| Financial investments | | |
| Cash and Short Term Deposits | 7,180,415 | 9,945,352 |
| Alternatives | 3,597,547 | 2,508,715 |
| Australian equities | 16,758,983 | 12,870,713 |
| International equities | 17,212,580 | 10,892,474 |
| Global Debt | 6,884,133 | 4,201,387 |
| Infrastructure | 6,842,784 | 5,991,449 |
| Property | 4,559,943 | 4,452,688 |
| Private equity | 3,151,155 | 2,696,237 |
| Derivative assets | 367,347 | 943,222 |
| Property, plant and equipment | 12,222 | 8,967 |
| Deferred tax assets | 2,602 | 2,218 |
| Total assets | 66,818,040 | 54,654,710 |
| Liabilities | | |
| Payables and other liabilities | (131,346) | (104,564) |
| Income tax payable | (319,744) | (91,830) |
| Derivative liabilities | (602,512) | (393,495) |
| Deferred tax liabilities | (1,502,631) | (956,762) |
| Total liabilities excluding member benefits | (2,556,233) | (1,546,651) |
| Net assets available for member benefits | 64,261,807 | 53,108,059 |
| Member liabilities | | |
| Allocated to members | (63,890,588) | (52,800,351) |
| Unallocated to members | (7,010) | (5,779) |
| Total member liabilities | (63,897,598) | (52,806,130) |
| Net assets | 364,209 | 301,929 |
| Equity | | |
| Operational risk reserve | (144,505) | (132,887) |
| Fund development reserve | (126,226) | (113,892) |
| Investment account | (93,478) | (55,150) |
| Total equity | (364,209) | (301,929) |

Income statement

For the year ended 30 June 2021

| | 30 June 2021 \$'000 | 30 June 2020 \$'000 |
|---|------------------------|------------------------|
| Superannuation activities | | |
| Interest | 107,344 | 239,551 |
| Dividend income | 924,388 | 891,053 |
| Distributions | 385,311 | 545,642 |
| Changes in fair value of financial investments | 9,506,136 | (1,713,270) |
| Other investment income | 23,638 | 29,798 |
| Other income | 11,459 | 10,319 |
| Total superannuation activities income | 10,958,276 | 3,093 |
| Expenses | | |
| Investment expenses | (241,432) | (187,067) |
| Administration expenses | (43,842) | (51,065) |
| Operating expenses | (100,844) | (88,793) |
| Total expenses | (386,118) | (326,925) |
| Net result from superannuation activities | 10,572,158 | (323,832) |
| Add/(Less): Net benefits allocated to members' accounts | (9,598,835) | 136,602 |
| Operating result before income tax | 973,323 | (187,230) |
| Income tax expense/(benefit) | 911,043 | (90,337) |
| Operating result after income tax | 62,280 | (96,893) |

Statement of changes in member benefits

For the year ended 30 June 2021

| | 30 June 2021 \$'000 | 30 June 2020 \$'000 |
|---|------------------------|------------------------|
| Opening balance of member benefits | 52,806,130 | 51,750,948 |
| Contributions: | | |
| Employer | 3,807,670 | 3,552,840 |
| Member | 860,209 | 638,074 |
| Transfer from other superannuation plans | 1,100,564 | 1,607,698 |
| Government co-contributions | 6,319 | 5,764 |
| Low income superannuation contributions | 40,161 | 42,998 |
| Income tax on contributions | (565,970) | (524,511) |
| Net after tax contributions | 5,248,953 | 5,322,863 |
| Benefits paid to members/beneficiaries | (2,717,854) | (3,069,789) |
| COVID early release payments to members | (879,041) | (925,356) |
| Insurance premiums charged to members' accounts | (225,496) | (210,170) |
| Death and disability insurance benefits credited to members' accounts | 66,071 | 74,236 |
| Benefits allocated to members' accounts, comprising: | | |
| Net investment income | 9,706,155 | (36,830) |
| Administration fees | (107,320) | (99,772) |
| Closing balance of member benefits | 63,897,598 | 52,806,130 |

reserves

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

Operational Risk Reserve (ORR)

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

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

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

| | |
|--------------|-----------------------------|
| 30 June 2021 | \$144.51 million (audited) |
| 30 June 2020 | \$132.89 million (audited) |
| 30 June 2019 | \$124.83 million (audited). |

Fund Development Reserve (FDR)

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

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

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

| | |
|--------------|-----------------------------|
| 30 June 2021 | \$126.23 million (audited) |
| 30 June 2020 | \$113.89 million (audited) |
| 30 June 2019 | \$115.60 million (audited). |

Investment Account (IA)

The Investment Account (IA) is maintained for the purpose of accumulating the investment earnings of the Fund's assets prior to allocation to member accounts as well as reflecting the transaction costs in the valuation of investments for the purpose of unit pricing that are not included for financial reporting. The IA is maintained by our Custodian and managed to the same strategic asset allocation as HESTA's low-risk investment option, Cash & Term Deposits.

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

| | |
|--------------|-----------------------------|
| 30 June 2021 | \$93.48 million (audited) |
| 30 June 2020 | \$55.15 million (audited) |
| 30 June 2019 | \$158.39 million (audited). |

related parties

a) Related Party Investments and Transactions

At 30 June 2021 the Fund (Health Employees Superannuation Trust Australia) had:

- A 31% (2020: 31%) shareholding of ordinary shares valued at \$2,038,793 (2020: \$2,038,793) in Frontier Advisors Pty Ltd.

Frontier receives fees from the Fund for investment consulting services. These fees were \$2,539,435 (2020: \$3,234,505).

Ms D.Cole is a director of Frontier Advisors Pty Ltd and received fees of \$16,187 for the year ended 30 June 2021 (2020: \$15,401).

There were no transactions between the Fund and the Trustee of the Fund (H.E.S.T. Australia Ltd) during the year (2020: \$nil).

b) Other Shareholdings and Transactions

As at 30 June 2021 the Fund had:

- A 17.8% (2020: 17.8%) shareholding in Industry Super Holdings Pty Ltd (ISH) valued at \$216,480,990 (2020: \$176,709,108).

IFM Investors Pty Ltd is a subsidiary of ISH and manages investments totalling \$9,282,835,217 (2020: \$9,998,078,972) on behalf of the Fund.

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

Ms C. Smith is a director of The New Daily Pty Ltd.

Ms D. Blakey, as a nominee of H.E.S.T. Australia Ltd, was a Director of ISA as at 30 June 2021. Subsequently on 26 August 2021 her position as Director ceased.

Ms D. Blakey and Ms N. Roxon are members of the ISA Advisory Council.

Mr L. Williams is a member of the Shareholder Advisory Panel with Industry Funds Management.

- A 18.7% (2020: 18.7%) shareholding in ME Bank valued at \$243,213,281 (2020: \$216,203,592). ME Bank is the manager of the Super Members Home Loan program and the Super Loans Trust. The investment in the Super Loans Trust was sold during the year and is valued at \$nil (2020: \$4,592,720). The Fund also had \$66,080,411 (2020: \$56,216,419) invested in cash and term deposits with ME Bank at year end.

On 22 February 2021, the Fund entered into a Share Sale and Purchase Deed to sell its interest in Members Equity Bank Limited (ME Bank) to Bank of Queensland Limited. Completion of the sale took place on 1 July 2021, following regulatory approval under the Financial Sector (Shareholdings) Act 1998 (Cth).

- A 4.0% (2020: 4.0%) shareholding in ISPT Pty Ltd valued at \$1 (2020: \$1) and a 15.8% (2020: 15.7%) unitholding in the ISPT Operations Trust valued at \$1,280,417 (2020: \$854,538).

ISPT Pty Ltd is the trustee of four unlisted direct investment property trusts which the Fund invests in and ISPT Operations Pty Ltd is the service entity of four unlisted direct investment property trusts and one unlisted direct investment property mandate which the Fund invests in.

ISPT Pty Ltd in its capacity as trustee and ISPT Operations Pty Ltd in its capacity as service entity, managed investments totalling \$2,499,307,608 (2020: \$2,458,695,033) on behalf of the Fund.

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

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

key advisers and service providers

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

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

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

Other key advisers and providers as at 30 June 2021 include:

Custodian: JP Morgan Chase Bank
 Insurer: AIA Australia Limited
 Solicitors: Allens, HWL Ebsworth
 Internal auditors: KPMG
 External auditors: PricewaterhouseCoopers
 Taxation advisors: KPMG
 Technology providers: Tecala Group Pty Ltd

When we will transfer your account to the ATO

HESTA is required by law to transfer accounts to the Australian Taxation Office (ATO) in certain situations. These include:

- you reach age 65, and we have not received a payment into your HESTA super account for you for at least two years, and after making reasonable efforts, we have been unable to contact you for five years

OR

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

OR

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

OR

- you are entitled to be paid some or all your former spouse's HESTA super benefit and we are unable to contact you

OR

- you are a lost member (when we don't have a valid postal or electronic address to contact you) and we have not received an amount for you within the last 12 months, and we are satisfied that it will never be possible, with the information reasonably available, to pay an amount to you.

OR

- your account balance is below \$6,000 and your account has not received any contributions or rollovers for at least 16 months[^]

[^]except if you have changed investment options, updated your insurance, made or renewed a binding death benefit nomination during that 16 months or notified HESTA by written notice that your account was not an inactive low- balance account.

[#] we are not required notify you or provide you with an exit statement in these circumstances but will send one to you if requested. You can apply to the Commissioner of Taxation to claim your unclaimed super. Visit ato.gov.au for more information.

If your account is transferred to the ATO, you will cease to be a HESTA member and any insurance cover you have will cease.

The ATO may reunite your former HESTA benefits with your other active superannuation accounts you hold. Log into your MyGov account to find out more or contact the ATO

Call - **13 28 65** Web - **ato.gov.au**

Surcharges

Any surcharge assessments received from the ATO are deducted from the members' accounts and remitted to the ATO.

when you have a concern, we listen

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

Internal dispute resolution process

| Step 1 | Step 2 | Step 3 |
|---|---|--|
| <p>Call to discuss your concerns.</p> <p>If your concern relates to your:</p> <ul style="list-style-type: none"> • HESTA super account, call 1800 813 327 • HESTA Income Stream account, call 1300 734 479. | <p>If your concerns can't be resolved immediately, you can provide more detailed information about your complaint to our Complaints Officer by:</p> <p>Mail: Complaints Officer HESTA Locked Bag 5136 Parramatta NSW 2124</p> <p>Email: 'Attention: Complaints Officer' HESTA super accounts: hesta@hesta.com.au HESTA Income Stream accounts: hestais@hesta.com.au</p> | <p>We'll investigate your complaint and try to resolve it in 10 business days.</p> <p>If we can't respond fully in that time, we will keep you informed about the progress of your complaint. We have a maximum timeframe of 90 days to resolve your complaint.</p> <p>Our response will detail the outcome of the investigation and the reason for our decision. This process is free of charges.</p> |

External dispute resolution process

The **Australian Financial Complaints Authority** (AFCA) has been established to resolve complaints with financial services providers which consumers can access free of charge.

If we have not responded to your complaint within 90 days, or at anytime after receiving our decision you are not satisfied with our response, you can complain to AFCA.

Australian Financial Complaints Authority

GPO Box 3
Melbourne VIC 3001
1800 931 678
info@afca.org.au
afca.org.au

Timeframes for complaints to AFCA

For AFCA to deal with certain complaints they must be made within certain timeframes:

Death benefits

After HESTA has made its final decision, you must make a complaint to AFCA within 28 days of that decision.

Total and Permanent Disability (TPD)

If you permanently ceased employment because of the illness or injury that gave rise to the claim for a TPD benefit, you must have made a claim to us for the payment of the TPD benefit within two years of permanently ceasing employment and must make a complaint to AFCA within six years of our decision about the TPD claim.

Statements given to the Commissioner of Taxation under s.1053(2) of the Corporations Act

One year from notice.

Other superannuation complaints

For all other complaints you will have two years from the date of our response to make a complaint to AFCA.

what you need to know about this annual report

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

H.E.S.T. Australia Limited is the issuer of the products 'HESTA', 'HESTA Personal Super', 'HESTA Term Allocated Pension', and 'HESTA Income Stream'.

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

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

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

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

Debby Blakey
Chief Executive Officer
HESTA

PO Box 615,
Carlton South,
VIC, 3053

contact us

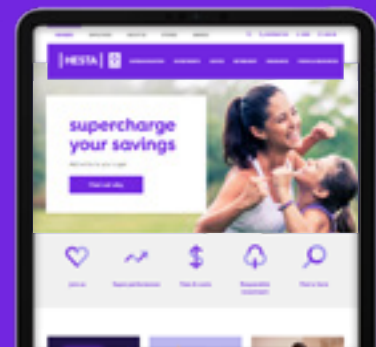
HESTA enquiries

1800 813 327

hesta@hesta.com.au

hesta.com.au

Locked Bag 5136,
Parramatta, NSW, 2124



HESTA Income Stream enquiries

1300 734 479

hestais@hesta.com.au

hesta.com.au/incomestream

Locked Bag 5136,
Parramatta, NSW, 2124



...because your
stories are
our inspiration.