

Summary of significant events and material changes

September 2016 – August 2018

In accordance with its ongoing disclosure obligations, HESTA notifies members of any material changes or significant events that may affect their membership. The required notice may take a variety of formats including a personalized letter, article in our member magazine, or information provided by electronic disclosure on our website. Below is a summary of each significant event notice or change for the previous two years.

Notice date	Effective date	Nature of event or change	Impact of the change, membership group impacted and link to notice
27 August 2018	1 October 2018	<p>Changes outlined:</p> <ul style="list-style-type: none"> • Investment changes <ul style="list-style-type: none"> ○ Asset allocation & classes ○ Investment objectives – long & medium term ○ Fees and costs ○ Risk label & probable number of negative annual returns over 20 years ○ Foreign currency exposure ○ Controversial weapons exclusion • Legislation and tax changes <ul style="list-style-type: none"> ○ First Home Super Saver (FHSS) Scheme ○ Downsizer contributions ○ Caps and thresholds • Dispute resolution changes • Eligible Rollover Fund changes 	<p>Impacted group: HESTA super & Personal Super members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-super-and-personal-super-significant-event-notice-27-Aug-2018.pdf</p>

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27 August 2018	1 October 2018	<p>Changes outlined:</p> <ul style="list-style-type: none"> • Investment changes <ul style="list-style-type: none"> ○ Asset classes ○ Risk label & probable number of negative annual returns over 20 years ○ Foreign currency exposure ○ Controversial weapons exclusion ○ Asset allocation ○ Retirement Income Stream and Term Allocated Pension (TAP) investment options <ul style="list-style-type: none"> ▪ Investment objectives ▪ Fees and costs ○ Transition to Retirement (TTR) investment options <ul style="list-style-type: none"> ▪ Investment objectives ▪ Fees and costs • Legislation and tax changes • Dispute resolution changes 	<p>Impacted group: HESTA Income Stream and TAP members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-Income-Stream-significant-event-notice-Aug2018.pdf</p>
13 March 2018	30 September 2017	<p>Government legislation came into effect which changed the way fees and costs of superannuation products must be disclosed.</p> <p>Changes outlined:</p> <ul style="list-style-type: none"> • Transactional and Operational Costs • Property Operating Costs and Borrowing Costs 	<p>Impacted group: All HESTA members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-significant-event-notice-March-2018.pdf</p>

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17 November 2017	1 March 2018	<p>From 1 March 2018, AIA will become HESTA’s insurer.</p> <p>This means there will be changes to the amount and cost of cover for eligible members.</p> <p>Changes include:</p> <ul style="list-style-type: none"> • Moving to an age based fee and cover amount • Increasing income protection from \$850 to \$950 per unit per month • Introduce a Permanent Incapacity Support Benefit of \$10,200 for eligible members • Allow earlier access to terminal illness benefits • Insurance fee free cover for all members on employer approved parental leave. 	<p>Impacted group: HESTA super & Personal Super members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-Insurance-significant-event-notice-17-November-2017.pdf</p>
22 August 2017	1 July 2017	<p>In the 2016 Federal Budget, a number of reforms to superannuation were proposed, which came into effect on 1 July 2017, including:</p> <ul style="list-style-type: none"> • Transfer balance cap 	<p>Impacted group: HESTA Income Stream members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/Income-stream-significant-event-notice-22-Aug-2017%20.pdf</p>

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22 August 2017	1 July 2017	<p>In the 2016 Federal Budget, a number of reforms to superannuation were proposed, which came into effect on 1 July 2017, including:</p> <ul style="list-style-type: none"> • Changes in contribution caps • High income earnings and division 293 tax • Changes to anti-detriment payments • Transfer balance cap 	<p>Impacted group: HESTA super & Personal Super members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-super-and-personal-super-significant-event-notice-22-Aug-2017.pdf</p>
30 June 2017	1 July 2017	<p>Changes outlined:</p> <ul style="list-style-type: none"> • Changes to the way TTR Income Streams are taxed • Unit price changes • Automatic account changes to Retirement Income Stream • Transfer balance cap • Contribution caps 	<p>Impacted group: HESTA TTR Income Stream members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/Significant-event-notice-HESTA-Transition-to-Retirement-Income-Stream.pdf</p>
1 September 2016	1 September 2016	<p>Changes outlined:</p> <ul style="list-style-type: none"> • HESTA moves to unit pricing • Family law fees • Investments <ul style="list-style-type: none"> ○ Indirect Cost Ratio (ICR) investment costs ○ Annual returns ○ Objectives and benchmarks updated across all investment options ○ Foreign currency exposure 	<p>Impacted group: HESTA Income Stream members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-Income-Stream-significant-event-notice.pdf</p>

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1 September 2016	1 September 2016	<p>Changes outlined:</p> <ul style="list-style-type: none"> • HESTA moves to unit pricing • Fees and costs <ul style="list-style-type: none"> ○ Administration cost transparency ○ ICR investment costs ○ Administration fee cap • Taxation <ul style="list-style-type: none"> ○ Tax deductions ○ Tax threshold changes • Investments <ul style="list-style-type: none"> ○ Objectives and benchmarks updated across all investment options ○ Annual returns across a number of investment options ○ Strategic Asset Allocations updated across Ready-Made investment pools • Foreign currency exposure • Automatic account closure • Insurance <ul style="list-style-type: none"> ○ Income Protection changes ○ Group Life cover ○ Total Permanent & Disability (TPD) definitions ○ Insurance fee 	<p>Impacted group: HESTA super members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/Significant-event-notice-1-september-2016.pdf</p>