

Summary of significant events and material changes

At 3 September 2021

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
30 August 2021	Varies	<p>Changes outlined:</p> <ul style="list-style-type: none"> • Effective 21 October 2021, we've changed the frequency for unit pricing valuation and investment switching from weekly to daily. <ul style="list-style-type: none"> ○ Notification of an investment switching pause from 11:59pm AEST/AEDT Tuesday 19 October until 4pm AEST/AEDT Wednesday 20 October • Effective 30 September 2021, the annual investments review <ul style="list-style-type: none"> ○ Includes changes to investment objectives, probable number of negative annual returns over 20 years, risk levels, suggested minimum investment timeframe, type of investor, growth/defensive asset splits, strategic asset allocation and ranges of certain options ○ Risk profile descriptions • Effective 1 July 2021, responsible investment updates • Fee changes <ul style="list-style-type: none"> ○ 2020/21 Investment fees and costs updates ○ Effective 1 April 2022, changes to transition to retirement or retirement planning advice fee • Legislation and tax changes <ul style="list-style-type: none"> ○ Effective 1 July 2021, superannuation rates and threshold updates ○ Effective 5 October 2021, due to Regulatory Guide 271 the maximum timeframe to resolve a compliant will reduce from 90 to 45 days. • Insurance changes 	<p>Impacted group: HESTA & HESTA Personal Super members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-and-HESTA-Personal-Super-significant-event-notice-30-Aug-2021.pdf</p>

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30 August 2021	Varies	<p>Changes outlined:</p> <ul style="list-style-type: none"> • Effective 21 October 2021, we've changed the frequency for unit pricing valuation and investment switching from weekly to daily. <ul style="list-style-type: none"> ○ Notification of an investment switching pause from 11:59pm AEST/AEDT Tuesday 19 October until 4pm AEST/AEDT Wednesday 20 October • Effective 30 September 2021, the annual investments review <ul style="list-style-type: none"> ○ Includes changes to investment objectives, probable number of negative annual returns over 20 years, risk levels, suggested minimum investment timeframe, type of investor, growth/defensive asset splits, strategic asset allocation and ranges of certain options ○ Risk profile descriptions • Effective 1 July 2021, responsible investment updates • Fee changes <ul style="list-style-type: none"> ○ 2020/21 Investment fees and costs updates ○ Effective 30 September 2021, removal of investment switching fees ○ Effective 1 April 2022, changes to transition to retirement or retirement planning advice fee • Legislation and tax changes <ul style="list-style-type: none"> ○ Effective 1 July 2021, superannuation rates and threshold updates ○ Effective 1 July 2021, minimum drawdown percentage ○ Effective 5 October 2021, due to Regulatory Guide 271, the maximum timeframe to resolve a compliant will reduce from 90 to 45 days. 	<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-30-Aug-2021.pdf</p>

Notice date	Effective date	Nature of event or change	Impact of the change, membership group impacted and link to notice
<p>7 January 2021</p>	<p>1 March 2021</p>	<p>We are making some changes to insurance cover through HESTA so we can keep it competitively priced and to better reflect the needs of most of our members.</p> <p>From 1 March 2021, members will see changes to the Standard Income Protection (IP) benefit payment period, as well as the fees for their cover. There are also changes to the fees and terms of Death Cover and Lump-sum Total and Permanent Disablement (TPD) Cover.</p> <p>Main changes from 1 March 2021:</p> <p>IP Cover:</p> <ul style="list-style-type: none"> • Monthly benefit payment of \$500 per unit (up from \$475) • Standard Cover members: <ul style="list-style-type: none"> ○ Benefit payment period of up to five years (previously to age 67) ○ Decrease in IP Cover fees • Customised cover members (who have chosen additional cover or varied certain parts of their Standard Cover terms): <ul style="list-style-type: none"> ○ Increase in IP Cover fees <p>Death Cover:</p> <ul style="list-style-type: none"> • Maximum Cover of \$3 million • Increase in Death Cover fees <p>Lump-sum TPD Cover:</p> <ul style="list-style-type: none"> • Maximum Cover of \$2 million • Increase or decrease in Lump-sum TPD fees depending on age for unitised cover members • Increase in Lump-sum TPD fees for fixed cover members 	<p>Impacted group: HESTA & HESTA Personal Super members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-and-HESTA-Personal-Super-significant-event-notice-7-Jan-2021.pdf</p>

Notice date	Effective date	Nature of event or change	Impact of the change, membership group impacted and link to notice
25 August 2020	1 October 2020	<p>Changes outlined:</p> <ul style="list-style-type: none"> • Temporary changes to unit pricing, investment switching and transaction processing <ul style="list-style-type: none"> ○ Impacts to transaction processing and investment switching between 28 September to 5 October 2020 • Investment changes <ul style="list-style-type: none"> ○ Super investment options from 1 October and details of all investment option changes ○ Terminology updates ○ Risk Profile names and descriptions ○ Investment fees and costs updates ○ Other investment changes, including responsible investment updates and investment term clarifications • Legislation and tax changes <ul style="list-style-type: none"> ○ Caps and thresholds • Insurance changes <ul style="list-style-type: none"> ○ When cover ends ○ Restarting insurance cover after HESTA is required to cancel cover ○ Pandemic Exclusion removal • Other changes <ul style="list-style-type: none"> ○ Including changes to investment of accrued balance (and certain insurance benefits) in Cash and Term Deposits upon death notification and rollovers 	<p>Impacted group: HESTA super & Personal Super members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-and-HESTA-Personal-Super-significant-event-notice-25-Aug-2020.pdf</p>

Notice date	Effective date	Nature of event or change	Impact of the change, membership group impacted and link to notice
<p>25 August 2020</p>	<p>1 October 2020</p>	<p>Changes outlined:</p> <ul style="list-style-type: none"> • Temporary changes to unit pricing, investment switching and transaction processing <ul style="list-style-type: none"> ○ Impacts to transaction processing and investment switching between 28 September to 5 October 2020 ○ Income stream payments will not be impacted by this system update • Investment changes <ul style="list-style-type: none"> ○ Income Stream investment options from 1 October and details of all investment option changes for RIS/TAP and TTR members ○ Terminology updates ○ Changes to the Ready-Made Strategy ○ Risk Profile names and descriptions ○ Investment fees and costs updates ○ Other investment changes, including responsible investment updates and investment term clarifications • Legislation and tax changes <ul style="list-style-type: none"> ○ Caps and thresholds • Other changes <ul style="list-style-type: none"> ○ Including changes to income stream payments default drawdown order, investment of accrued balance in Cash and Term Deposits upon death notification and an additional footnote in Retirement Reward 	<p>Impacted group: HESTA Income Stream and TAP members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-and-HESTA-Personal-Super-significant-event-notice-25-Aug-2020.pdf</p>

Notice date	Effective date	Nature of event or change	Impact of the change, membership group impacted and link to notice
<p>11 August 2020</p>	<p>1 October 2020</p>	<p>Changes outlined: HESTA is making changes to the investment options offered to better concentrate its investment expertise on a more focused set of choices.</p> <p>To implement these changes, all members will be impacted by a temporary processing freeze which also affects unit pricing and investment switching between 28 September to 5 October 2020.</p> <p>Members invested in the Cash, Property, Infrastructure and Private Equity investment options as at 30 September will also be directly impacted when their existing investment option will be automatically transferred to the indicated option on 1 October, unless a choice is made to switch out of the existing investment option.</p>	<p>Impacted group: HESTA super & Personal Super members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-and-HESTA-personal-super-significant-event-notice-11-Aug-2020.pdf</p>

Notice date	Effective date	Nature of event or change	Impact of the change, membership group impacted and link to notice
<p>11 August 2020</p>	<p>1 October 2020</p>	<p>Changes outlined: HESTA is making changes to the investment options offered to better concentrate its investment expertise on a more focused set of choices.</p> <p>To implement these changes, all members will be impacted by a temporary processing freeze which also affects unit pricing and investment switching between 28 September to 5 October 2020.</p> <p>Retirement Income Stream (RIS) and Term Allocated Pension (TAP) members invested in the Defensive, Cash, Term Deposit and Property investment options as at 30 September will be automatically transferred to the indicated option on 1 October, unless a choice is made to switch out of the existing investment option.</p> <p>All Transition to Retirement (TTR) Income Stream members will also be directly impacted as all existing TTR investment options will close and TTR members will be automatically transferred to a similar option within the super investment options.</p> <p>RIS, TAP and TTR members invested in the Ready-Made Investment Strategy will have the Defensive portion of their investment strategy transferred to the Conservative investment option, as a result of the Defensive investment option closing.</p>	<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-11-Aug-2020.pdf</p>

Notice date	Effective date	Nature of event or change	Impact of the change, membership group impacted and link to notice
1 April 2020	25 March 2020	<p>The Government is temporarily reducing superannuation minimum drawdown requirements for income streams and term allocated pensions for the 2019-20 and 2020-21 financial years as part of the second phase of its stimulus package.</p> <p>Income stream (including transition to retirement) members are required to drawdown a minimum percentage from their income stream account each financial year based on their age. Under the temporary reduction in minimum drawdowns, this minimum percentage has been reduced by half.</p> <p>For the 2019-20 and 2020-21 financial years, term allocated pension members can adjust their drawdown to a minimum of 45% of the calculated government amount (currently members can elect to receive 90% of the calculated government amount).</p>	<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-Apr20.pdf</p>
6 February 2020	1 April 2020	<p>There have been significant changes to insurance cover through super due to recent Federal Government legislation. As a result, HESTA insurance fees are changing on 1 April 2020.</p> <p>From 1 April 2020 the following insurance fee changes will apply to insured members:</p> <ul style="list-style-type: none"> • the costs of Death Cover will decrease. • the costs of Income Protection (IP) Cover will increase. <p>There are no changes to insurance fees for Lump-sum Total and Permanent Disablement (TPD) Cover.</p>	<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-6-Feb-2020.pdf</p>

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26 August 2019	1 October 2019	<p>Changes outlined:</p> <ul style="list-style-type: none"> • Legislation and tax changes <ul style="list-style-type: none"> ○ Insurance inactivity ○ Transfers to ATO or Eligible Rollover Fund ○ Caps and thresholds ○ Work test exemption ○ Catch-up contributions ○ <i>MySuper</i> membership ○ Minimum account balance on partial withdrawals and transfers • Insurance <ul style="list-style-type: none"> ○ Recommencement of cover rules ○ Income protection offset • Fees and Costs <ul style="list-style-type: none"> ○ Investment fees and costs ○ Fee cap ○ Advice fees ○ Family Law Information Request fee • Investment changes <ul style="list-style-type: none"> ○ Risk level and probable number of negative annual returns over 20 years ○ Investment managers in Eco Pool ○ Controversial weapons exclusion 	<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-26-Aug-2019.pdf</p>

Notice date	Effective date	Nature of event or change	Impact of the change, membership group impacted and link to notice
26 August 2019	1 October 2019	<p>Changes outlined:</p> <ul style="list-style-type: none"> • Legislation and tax changes <ul style="list-style-type: none"> ○ Transfers to ATO or Eligible Rollover Fund ○ Caps and thresholds • Fees and Costs <ul style="list-style-type: none"> ○ Investment fees and costs ○ Fee cap ○ Advice fees ○ Family Law Information Request fee • Investment changes <ul style="list-style-type: none"> ○ Risk level and probable number of negative annual returns over 20 years ○ Asset allocation range – transition to retirement ○ Foreign currency exposure – Retirement Income Stream and Term Allocated Pension ○ Investment managers in Eco ○ Controversial weapons exclusion 	<p>Impacted group: HESTA Income Stream and TAP members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-super-and-personal-super-significant-event-notice-27-Aug-2018.pdf/HESTA-Income-Stream-significant-event-notice-Aug2019.pdf</p>
22 August 2019	1 October 2019	<p>From 1 October 2019, members with both Death Cover and Lump-sum Total and Permanent Disablement (TPD) Cover may be affected when they make a terminal illness or a TPD insurance claim</p> <p>Any remaining Death Cover or TPD Cover that is unitised, after a terminal illness benefit or TPD benefit is paid, and cannot be converted to whole units, will be converted to fixed cover and rounded up to the nearest \$1,000.</p> <p>Converting from unitised cover to fixed may lead to an increase in insurance fees.</p>	<p>Impacted group: HESTA super & Personal Super members</p> <p>https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-Insurance-Changes-Significant-Event-Notice-22-August-2019.pdf</p>