

significant event notice



12 September 2023

This Significant Event Notice (Notice) is to let you know about important changes to

- HESTA,
- HESTA Personal Super and
- HESTA Corporate Super

Generally, this includes changes to, or events impacting the information provided in the Product Disclosure Statements (PDS) of those products.

Changes will generally be incorporated into future versions of the PDS available at hesta.com.au/pds

The changes we are letting you know about in this Notice include:

- investment changes
- changes to risk disclosure
- changes to fees and costs
- insurance updates - corporate super members; and
- how amounts are allocated to accounts.

Investment changes

Annual investment review

We review our investment strategy every year considering a range of factors that seek to ensure our investment options remain competitive, and are appropriately positioned for the likely future environment and our long-term expectations of investment markets. Investment returns are not guaranteed.

The following changes will be made from 30 September 2023.

Table 1: Changes to Your Choice options – International Shares (probable number of negative annual returns over 20 years and risk level)

	Up to 29/9/2023	From 30/9/2023
Probable number of negative returns over 20 years	6 or greater	4 to less than 6
Risk level	Very High	High

Table 2: Changes to Ready-Made options – Overall growth and defensive asset splits

		Up to 29/9/2023	From 30/9/2023
Balanced Growth	Growth	70	68
	Defensive	30	32
Conservative	Growth	37	34
	Defensive	63	66
Sustainable Growth	Growth	75	72
	Defensive	25	28
High Growth	Growth	88	84
	Defensive	12	16

Table 3: Changes to the strategic asset allocation and ranges

Items that will change are shaded.

		Strategic asset allocation		Allocation ranges %	
		Up to 29/9/2023	From 30/9/2023	Up to 29/9/2023	From 30/9/2023
Ready-Made Options					
Balanced Growth	Australian shares	24	22	15-40	15-40
	International shares	29	31	15-45	15-45
	Private equity	5	5	0-15	0-15
	Alternatives	2	2	0-15	0-15
	Infrastructure	10	10	5-25	5-25
	Property	6	6	0-20	0-20
	Global Debt	19	19	0-35	0-35
	Cash	5	5	0-30	0-30
	Currency Exposure	19.5	19.5	0-35	0-35
Conservative	Australian shares	11	9	5-20	5-20
	International shares	11	13	5-15	5-20
	Private equity	-	-	-	-
	Alternatives	1	1	0-15	0-15
	Infrastructure	12.5	12.5	0-25	0-25
	Property	8.5	8.5	0-20	0-20
	Global Debt	38	38	25-55	25-55
	Cash	18	18	10-30	10-30
	Currency Exposure	9.5	9.5	0-25	0-25
Sustainable Growth	Australian shares	29	24.5	20-45	20-45
	International shares	34	35.5	20-45	20-45
	Private equity	5	5	0-15	0-15
	Alternatives	0.5	2	0-15	0-15
	Infrastructure	2	3.5	0-20	0-20
	Property	7.5	7.5	0-20	0-20
	Global Debt	17	17	5-30	5-30
	Cash	5	5	0-15	0-15
	Currency Exposure	20	22.5	0-35	0-35
High Growth	Australian shares	33	32	20-45	20-45
	International shares	35.5	34.5	25-55	25-55
	Private equity	10	8	0-20	0-20
	Alternatives	2	2	0-15	0-15
	Infrastructure	9.5	9.5	0-20	0-20
	Property	4	6	0-10	0-10
	Global Debt	4	5	0-15	0-15
	Cash	2	3	0-15	0-15
	Currency Exposure	24.5	24.5	0-50	0-50

There are no changes to the strategic asset allocation and ranges for the Your Choice options.

Changes to risk disclosure

In the 1 July 2023 HESTA, HESTA Personal Super and HESTA Corporate Super PDS's, we updated our disclosure to provide more detail of the associated financial risks. These are not new risks that change how investments are being managed, but an update to align disclosures to how investment risks are being considered and managed by HESTA.

Changes to fees and costs

Investment fees and costs and transaction costs changes

Investment fees and costs and transaction costs are deducted from the valuation of investments before daily unit prices are calculated.

The amounts below shown are indicative only and include several components which are estimates, including performance fees which are required to be disclosed as an average of those incurred over the past five financial years. Actual amounts shown for subsequent financial years are indicative only and the amount you pay will depend on the actual costs incurred in those years. Past costs may not necessarily be an indicator of future costs.

The table below details the updated investment fees and costs and transaction costs for 2022/2023. Items that will change are shaded.

		2021/2022	2022/2023
		Investment fees and costs and Transaction costs	Investment fees and costs and Transaction costs
Ready-Made Options	Balanced Growth (MySuper)	0.73%	0.66%
	Conservative	0.44%	0.42%
	Indexed Balanced Growth	0.05%	0.05%
	Sustainable Growth	0.97%	0.99%
	High Growth	0.88%	0.82%
Your Choice Options	Cash and Term Deposits	0.02%	0.01%
	Diversified Bonds	0.27%	0.28%
	Property and Infrastructure	0.88%	0.92%
	International Shares	0.44%	0.41%
	Australian Shares	0.32%	0.20%

Change to amount paid from fund assets

An additional administration cost may be paid from fund assets, not your account, in years where the amount deducted from the Fund Development Reserve exceeds the amount paid to that reserve. The amount shown is based on the costs deducted (unaudited) for the 12 months to 30 June 2023.

	For the 12 months to 30 June 2022	For the 12 months to 30 June 2023
Additional administration cost	0.06%	0.04%

Insurance updates - Corporate Super members

In relation to the Corporate Super Product, our insurer will only pay benefits in respect of one disability at a time. A member receiving an Income Protection benefit may lodge a claim for an unrelated injury or illness, but benefits will only be paid for one claim at a time.

How amounts are allocated to accounts

Amounts received by HESTA are held in a trust account before they are allocated to a member's account. HESTA retains the interest (if any) earned on amounts held within the trust account. We have updated our disclosure material to reflect this. We allocate amounts to the relevant HESTA member's account using the calculated unit price of the investment option(s) effective the day the amounts are received. If the amounts cannot be allocated, we will refund or transfer to ASIC as required by law.

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