Investment choices

19 April 2025

The information in this document forms part of the following Product Disclosure Statements:

- HESTA Product Disclosure Statement issued 19 April 2025
- HESTA Personal Super Product Disclosure Statement issued 19 April 2025
- HESTA Corporate Super Product Disclosure Statement issued 19 April 2025

wealth of choice

HESTA

what's inside?

understanding risk and return	4
asset classes	6
how your super is invested	10
ready-made options	12
your choice options	16
other things to note about HESTA investment options	19
responsible investment	20
currency and derivatives management	25
unit pricing	26
your guide to investment terms	27
fees, costs and investment performance	28
HESTA help and advice	30

Issued on 19 April 2025 by H.E.S.T. Australia Ltd ABN 66 006 818 695 AFSL No.235249 Trustee of HESTA ABN 64 971 749 321.

The information is current at the date of preparation 9 April 2025. Information in this guide that is not materially adverse may change from time to time. Information changes that are not materially adverse will be updated and can be found anytime on our website **hesta.com.au** A paper or electronic copy of the updated information will be made available to you upon request, without charge by calling 1800 813 327. Before making a decision about HESTA products you should read the relevant Product Disclosure Statement, and consider any relevant risks (**hesta.com.au/understandingrisk**).

The relevant target market determination that applies to our products can be found at **hesta.com.au/tmd**

This document does not relate to the HESTA Income Stream. Refer to the HESTA Income Stream PDS for information about that product.

The information provided in this document is general information only and does not take account of your personal financial situation or needs. You should look at your own financial position and requirements before making a decision. You may wish to consult an adviser when doing this.

You should be aware that the value of your investment may rise or fall. Past performance is not a reliable indicator of future performance.

If you leave HESTA you may get back less than the amount of contributions paid because of the level of investment returns, charges and the impact of tax.

Third-party services are provided by parties other than us and terms and conditions apply. We accept no responsibility for the products and services offered by third parties or any liability for any loss or damage incurred as a result of services provided by third parties. You should use your own judgement when considering such products or services.

Information about advice services available to HESTA members is set out in the relevant Financial Services Guide, a copy of which is available by calling 1800 813 327. Where advice services are provided to you under the Australian Financial Services Licence of a party other than H.E.S.T. Australia Ltd, that party is responsible for the advice given to you. Fees may apply.

For updated information visit **hesta.com.au** or call 1800 813 327. Free call applies from Australian landlines. Charges may apply to other calls.

Printed copies of this document have been produced to international environmental management standard ISO14001 by a certified green printing company using recycled paper. Please consider the environment if you choose to print this document.

At times we may add to, close or change our investment options in accordance with the HESTA investment strategy. We will notify you of any significant changes before it happens. Where the changes are not material, you can find updates on the HESTA website.

contact us

hesta@hesta.com.au | 1800 813 327 | Locked Bag 35007 Collins St West VIC 8007 | **hesta.com.au**

HESTA

An Industry SuperFund

how to use this guide

This guide gives you detailed information about investing with HESTA. If you're choosing a new investment strategy or revising your current choices, this guide can assist you to make the right investment choice for your future.

choosing an investment strategy

Step 1	**Understand some investment fundamentals and consider your risk profile** ✓ risk and return	4-5
Step 2	**Look at the asset classes we invest in** ✓ growth and defensive assets ✓ diversification and different types of assets	6-7
Step 3	**Compare different investment options and associated fees and costs** ✓ Ready-Made Options and Your Choice Options	12-18
Step 4	**Decide if you need advice before making an investment decision** ✓ Read more about the advice we provide members	30-31
Step 5	**Choose an investment option or mix of options** ✓ Submit your choice online at **hesta.com.au/login**	

What if I change my mind about my investment choice?

You can always change your investment strategy. There is no extra cost to change your investment choice.	26

Something you don't understand?

Some of the terminology may be new to you — see our glossary pages.	27

understanding risk and return

risk

the chance the amount earned (the returns) on your investments is different (higher or lower) than what you expect.

return

how much you earn on your investment.

higher return, more risk

Generally, the higher the expected return for an investment, the higher the investment risk.

It's important to note that the amount of your super benefit at retirement may not meet your expectations due to the impact of risk factors. You should read the important information about risks of super before making an investment decision. Go to hesta.com.au/pds and read *Risks of super*.

Investing always involves some degree of risk. The level of risk will depend on the nature of the underlying investments and the approach taken to achieve a return.

An investment's value reflects the value of its underlying assets. This can change as the market value of those assets rises or falls or, for some investments, as you receive income from that investment.

Your attitude to risk

Before you choose an investment strategy, think about how prepared you are for changes in your investment returns and account balance.

Your attitude to risk is likely to change over time. You should regularly review your investment strategy to make sure it still meets your needs.

The risk you won't have enough savings

While investment risk is one type of risk, another key risk of super is that your savings may not be enough to support your retirement expectations. You should consider the risk that you might outlive your savings. This is also known as longevity risk.

When considering investment risk it's important to also think about making sure your investments earn enough returns (i.e. you take enough investment risk to achieve adequate growth of your savings). Achieving a long-term return above the cost of living ensures that the purchasing power of your savings is not eroded by inflation.

How much will I need?

The Association of Superannuation Funds of Australia (ASFA) measures how much the average person or couple may need in retirement. Visit **superannuation.asn.au/retirement-standard** to find out more.

You may be eligible for the Age Pension to help support you in retirement. Visit **servicesaustralia.gov.au/age-pension** for more details.

Standard Risk Measure - probable number of negative returns

The probable number of negative returns over 20 years is calculated in accordance with Standard Risk Measure guidance issued jointly by ASFA and the Financial Services Council that all super funds are recommended to use. This measure is designed to make it easier for members to compare investment options.

The Standard Risk Measure describes risk based on how many negative annual returns you can expect over 20 years, but it doesn't provide information on the sequencing of when those negative returns may occur.

Risk level

The risk level relates to the Standard Risk Measure. This allows you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period.

See page 5 for further details.

risk profiles

Your risk profile is a measure of how much investment volatility you are comfortable to experience. It can also depend on the length of time you are invested.

All investment options experience volatility, therefore, the value of investments will rise and fall with market conditions. Some investment options are more volatile than others. It is important to select an investment option that you are comfortable to hold for the recommended minimum time frame.

Your risk profile may change over time with your life circumstances and financial situation. Below are five typical types of risk profiles. They are general descriptions only and your individual needs may be different. You should consider discussing your personal circumstances with an adviser before making an investment choice.

Risk profile name	Detailed risk profile description
Very cautious	• Your preference is to experience very little investment volatility. • You are prepared that your investments may experience very little growth. As a trade-off, the value of your investments will be relatively stable over time. • You will be invested in defensive assets. • Your minimum investment timeframe is less than 1 year.
Cautious	• Your preference is to experience a small amount of investment volatility. • You are prepared that your investments may experience small growth. As a trade-off, the value of your investments will be relatively stable over time. • You will mostly be invested in defensive assets. • Your minimum investment timeframe is 1 to 3 years.
Moderate	• You are comfortable to experience a moderate amount of volatility. • You are comfortable that your investments may partially rise or fall in value at any point in time. • Your investments will be split roughly evenly between defensive and growth assets. • Your minimum investment timeframe is 3 to 5 years.
Ambitious	• You are comfortable to experience volatility. You recognise that volatility and long term growth are mutual. • You are comfortable that your investments may rise or fall in value at any point in time. • You will be mostly invested in growth assets. • Your minimum investment timeframe is 5 to 7 years.
Very ambitious	• You are comfortable to experience relatively higher volatility. You recognise that volatility and long term growth are mutual. • You are comfortable that your investments may significantly rise or fall in value at any point in time. • You will be substantially invested in growth assets. • Your minimum investment timeframe is 7 to 10 years.

Matching your risk profile to the HESTA investment options

You can use our online tools at **hesta.com.au/calculator** to help you explore your risk profile. Keep your profile in mind as you read about each investment option (pages 12-18). It may help you decide which option(s) best suit you.

asset classes

Mixing assets is key to managing risk

To manage the risk investing always carries, you can spread your investments across a range of asset classes to reduce the impact if any one of these underperform. This is called 'diversification'.

That's because each asset class behaves in a different way. As one asset class rises another may fall. Carefully managing the relationship between various asset classes can produce a group or portfolio of investments with a lower risk for the targeted return. This is how we've structured our Ready-Made Options (pages 12-14).

Asset classes fall into two groups:

Growth asset	Defensive asset
• generally higher risk than defensive assets • returns generally from change in capital value rather than income • returns likely to be more volatile but are expected to be higher over the long term • have a higher probability of a negative return in any one year (see probable number of negative returns for each investment option pages 12-18).	• lower risk but generally lower returns over the long term • returns generally from income rather than a change in capital value • likely to produce lower volatility in return • lower chance of negative return in any one year • still have some risk — for example, bonds drop in value when interest rates rise.

What about market conditions?

The risk and return of an investment will also depend on market conditions (rising, steady, falling) when you invest. Investing in an asset after markets have risen may expose your savings to a higher risk of a drop in value. The past performance of an investment option isn't a reliable indicator of future performance and the value of your investments can rise or fall.

Asset classes we invest in

Actual investments in an asset class may include some or all of the types of investments described for that asset class at any given time. Each investment option contains one or more of the asset classes described below:

Asset class	Description	Risk and return characteristics
Cash	Applies to the Cash asset class in the **Cash and Term Deposits** investment option only. Money invested in: • bank deposit products including term, structured and at call deposits • bank accepted bills, negotiable certificates of deposit and other qualifying money market securities • short-dated debt securities with strong levels of liquidity • other cash-like instruments with high liquidity.	• returns expected from income • very stable lower-risk investment with a low probability of negative returns • low expected long term rate of return • defensive asset.
	Applies to the Cash asset class in **all other investment options.** Money invested in: • bank deposit products including term, structured and at call deposits • bank accepted bills, negotiable certificates of deposit and other qualifying money market securities • a broader allocation to short-dated debt securities with strong levels of liquidity, including high quality asset backed securities • other cash-like instruments with high liquidity.	• returns expected from income • very stable lower-risk investment with a low probability of negative returns • low expected long term rate of return • defensive asset.

Asset class	Description	Risk and return characteristics
Global debt	Government bonds • government and government related bonds. Credit • corporate fixed and floating rate securities, private debt, asset backed, structured and securitised credit that include investment grade, and selective sub-investment grade instruments.	• government bonds have an expected low level of risk and returns • credit may earn higher returns than cash and government bonds, with a mix of higher and lower risk exposures • generally considered defensive assets, with some credit investments carrying moderate to higher levels of expected income and risk.
Property	• includes investments in office buildings, industrial warehouses, shopping centres, healthcare, housing and property supporting the digital economy • returns generated from rental income and capital growth, giving assets both defensive and growth characteristics.	• investments may have a mix of higher and lower-risk exposures • defensive property is expected to earn most of its returns from rental income and has a moderate level of risk • growth property expected to earn most of its returns from capital gains • considered moderate to higher-risk investment • can earn better returns than cash or global debt.
Infrastructure	• includes roads, airports, power generation and other key community assets • assets are typically large scale and may be considered as improving a country's economic development • can take many forms, including direct ownership (equity) in a development, operating business or asset • has growth and defensive characteristics i.e. returns from both ongoing income and capital growth.	• investments may have a mix of higher and lower-risk exposures • defensive infrastructure is expected to earn most of its returns from income and has a moderate level of risk • growth infrastructure is expected to earn most of its returns from capital gains • considered moderate to higher-risk investment • can generate better returns than cash, global debt and property.
Australian and international shares	• listed shares (equities) provide ownership interest in a company • Australian shares account for a small percentage of the world share market but represent an important source of returns for the HESTA portfolio • international shares represent developed and emerging markets, and provide exposure to foreign currency and the related diversification benefits • emerging markets can offer a chance of higher returns but tend to have a higher risk profile than developed economies.	• returns come primarily from capital gains (increase in share price) • a smaller proportion of return is derived from income (dividends) • considered growth investments • as listed shares are typically more volatile than other asset classes, they are the main contributor to a diversified portfolio’s total risk • considered a higher risk investment • over the long term shares are expected to earn higher returns than cash, global debt, property or infrastructure.
Private equity	• predominantly investments in unlisted companies (i.e. not listed on a stock exchange) • sectors can include technology, healthcare and other emerging trends.	• returns primarily from capital gains • strategies may target higher returns than shares over medium-term or longer-term • less liquid (not easily traded) and investment style is longer-term • considered a higher-risk investment.
Alternatives	• alternatives includes a broad range of strategies designed to invest in thematics, take advantage of market mispricing, and/or provide diversification to the portfolio over the economic cycle. These are generally strategies that don’t naturally conform to the definition of traditional asset classes.	• return and risk expectations are moderate to high • returns rely on the performance of certain identifiable characteristics/factors/thematics • strategies can include complex and less liquid investment structures.

how your super is invested

Our default investment option is Balanced Growth. Unless you choose a different investment option, all your super is automatically invested there.

Let Balanced Growth do the work

Balanced Growth is invested in a diverse but balanced mix of assets. It's designed to align with the long-term nature of super, where your savings need to grow enough so they're not eroded by inflation (see page 4 for more information on investment risk and how long you may need to be invested).

We've designed Balanced Growth with our members' needs in mind. It aims to provide high enough returns over the long term to help them achieve a more comfortable retirement lifestyle. Most of our members are invested in Balanced Growth.

Over a 10-year period[1], Balanced Growth has delivered above its long-term investment objective. Balanced Growth's current CPI + 3.0% (p.a.) long-term investment objective is comparable to other default investment options.

Growth and protection — a balanced approach

We blend the different mix of assets in Balanced Growth in a way that aims to produce a less volatile return than might typically be expected in an investment with this option's objective.

We do this through some investment in defensive assets, while maintaining overall exposure to growth assets.

1 Calculated for the 10-year period to 31 December 2024.

Make your own choice with one of our Ready-Made Options

Ready-Made Options spread your super across different asset classes. They suit an investor who wants to diversify their investments, but who doesn't want to tailor their own portfolio.

Ready-Made Options	Page
Balanced Growth (HESTA *MySuper* default option)	12
Conservative	12
Indexed Balanced Growth	13
Sustainable Growth	13
High Growth	14

All our Ready-Made Options have Consumer Price Index (CPI) + investment targets. For a definition of CPI see page 27. Each option has a long term investment objective. Investment objectives are not a guarantee of performance, but reflect what HESTA thinks is an achievable return for a particular option, given its level of investment risk.

How is each option invested?

Each option uses a different mix of asset classes — known as the strategic asset allocation to pursue its objectives.

Each option has a long term strategic asset allocation, and these targets, as shown on pages 12-14 are accurate as at the date of the PDS. A strategic asset allocation range is also included. Actual allocations may deviate from their long term targets but stay within the range (also shown in the tables). This allows us to adjust investments according to changing market conditions that can change the relative value of different asset classes to take advantage of emerging opportunities or to avoid developing risks.

The past performance of an investment option isn't a reliable indicator of future performance and the value of your investments can rise or fall.

Design your own portfolio with Your Choice Options

Your Choice Options let you tailor your own portfolio, or invest in a specific asset class, such as Australian shares.

You can choose your own asset allocation (where you want to invest) and the level of risk you want to take. Create your own asset mix or seek exposure to the asset class/classes from the five Your Choice Options below:

Your Choice Options	Page
Cash and Term Deposits	16
Diversified Bonds	16
Property and Infrastructure	17
International Shares	17
Australian Shares	18

Investment objectives for Your Choice Options

Your Choice Options have investment objectives based on market indices for each asset class (apart from Your Choice – Property and Infrastructure, see below). Asset class indices are widely used in the super industry. This makes it easier to compare our Your Choice Options with similar asset class-specific investment options.

These indices also give members better insight into the long term performance of Your Choice Options compared with the markets for these asset classes. You can read more about the indices that make up relevant benchmarks on page 27.

We use a CPI-based investment objective for Your Choice – Property and Infrastructure.

How is each Your Choice asset class invested?

Each Your Choice Option is primarily invested in the named asset class/classes, but may have a strategic asset allocation to cash to help manage liquidity.

Create your own mix

You can create your own combination of Ready-Made Options and Your Choice Options to suit your specific investment needs.

Split your strategy

You can create one strategy for your current super balance, and a different strategy for future contributions and transactions (such as rollovers or lump-sum contributions).

✓ You can create your own mix or split your strategy by submitting your changes online at **hesta.com.au/login**, or by completing the ***Investment Choice application form***.

Emma decided to check where her super was invested because she didn't choose an investment option when she joined HESTA.

Emma found her super was invested in Balanced Growth, which is the HESTA *MySuper* default option.

Emma wants to enjoy a comfortable lifestyle in retirement with enough money to go on occasional overseas trips and to eat out from time to time.

The Balanced Growth option approach could help Emma achieve her goals.

Balanced Growth's long-term investment objective is designed to be high enough to assist a typical HESTA member to move from a modest to a more comfortable retirement lifestyle.

Given her retirement goals, Emma wants substantial exposure to growth assets as they're expected to provide higher returns over the long term than defensive assets (see page 6).

But Emma still wants some protection in adverse investment conditions. Balanced Growth invests in a diversified but balanced mix of assets, with the majority of assets invested in growth assets and the remainder in defensive assets. This aims to provide a less volatile return than would otherwise be expected in an investment with Balanced Growth's long-term investment objective.

ready-made options

Ready-Made Options	Balanced Growth HESTA *MySuper* default option	Conservative
Description	This is our default investment option where a majority of our members have their super invested. Invests in a wide range of mainly shares, debt and infrastructure, with some property, private equity, alternatives, and cash investments. With a higher exposure to growth assets, this option may experience high volatility.	Invests in a range of mainly debt and cash, with some exposure to shares, alternatives, property and infrastructure. With less exposure to growth assets and more exposure to defensive assets, this option may experience low volatility.
Investment return objective long term	To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 3.0% (p.a.)	To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 1.5% (p.a.)
Probable number of negative annual returns over 20 years	4 to less than 6	2 to less than 3
Risk level	High	Medium
Suggested minimum investment timeframe	5 to 7 years	1 to 3 years
Type of investor this option may suit	Ambitious	Cautious

Overall growth/defensive split*

Balanced Growth HESTA *MySuper* default option

Growth	68%
Defensive	32%

Conservative

Growth	34%
Defensive	66%

Strategic asset allocation

Balanced Growth HESTA *MySuper* default option

Asset class	Strategic allocation	Allocation range
Australian shares	22%	15 - 40%
International shares	31%	15 - 45%
Private equity	5%	0 - 15%
Alternatives	2%	0 - 15%
Infrastructure	10%	5 - 25%
Property	6%	0 - 20%
Global debt	19%	0 - 35%
Cash	5%	0 - 30%
Currency exposure+	19.5%	0 - 35%

Conservative

Asset class	Strategic allocation	Allocation range
Australian shares	9%	5 - 20%
International shares	13%	5 - 20%
Private equity	-	-
Alternatives	1%	0 - 15%
Infrastructure	12.5%	0 - 25%
Property	8.5%	0 - 20%
Global debt	38%	25 - 55%
Cash	18%	10 - 30%
Currency exposure+	9.5%	0 - 25%

Investment fees and costs and Transaction costs^	Balanced Growth HESTA *MySuper* default option	Conservative
Investment fees and costs	0.58% p.a.	0.39% p.a.
Transaction costs	0.04% p.a.	0.03% p.a.

*The growth/defensive split relates to the strategic allocation and may change as asset allocations move within their allocation ranges.
+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.
^The investment fees and costs and transaction costs are based on the year ended 30 June 2024 and include several components which are estimates. These include performance fees which are required to be disclosed as an average over the past five years. The actual amount you will be charged in this and subsequent financial years will depend on the actual costs incurred in those years.

Ready-Made Options	Indexed Balanced Growth	Sustainable Growth
Description	Invests in a mix of low-cost asset class strategies that aim to closely match index returns. With a high exposure to growth assets, this option may experience high volatility.	This option seeks to avoid exposure to particular activities and tilt investment towards companies and assets whose activities are thematically aligned with one or more of the United Nations Sustainable Development Goals (SDGs). Invests in shares, debt and property, with some private equity, alternatives, infrastructure and cash investments. With a higher exposure to growth assets, this option may experience high volatility.
Investment return objective long term	To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 2.0% (p.a.)	To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 3.0% (p.a.)
Probable number of negative annual returns over 20 years	4 to less than 6	4 to less than 6
Risk level	High	High
Suggested minimum investment timeframe	5 to 7 years	5 to 7 years
Type of investor this option may suit	Ambitious	Ambitious

Overall growth/defensive split*

Indexed Balanced Growth

■	Growth	75%
■	Defensive	25%

Sustainable Growth

■	Growth	68%
■	Defensive	32%

Strategic asset allocation

Indexed Balanced Growth

Asset class	Strategic allocation	Allocation range
Australian shares	33%	25 - 40%
International shares	42%	35 - 50%
Private equity	-	-
Alternatives	-	-
Infrastructure	-	-
Property	-	-
Global debt	20%	15 - 25%
Cash	5%	0 - 10%
Currency exposure+	21%	0 - 35%

Sustainable Growth

Asset class	Strategic allocation	Allocation range
Australian shares	27%	20 - 45%
International shares	31%	20 - 45%
Private equity	3%	0 - 15%
Alternatives	2%	0 - 15%
Infrastructure	4%	0 - 20%
Property	7%	0 - 20%
Global debt	19%	5 - 30%
Cash	7%	0 - 15%
Currency exposure+	22.5%	0 - 35%

Investment fees and costs and Transaction costs^	Indexed Balanced Growth		Sustainable Growth	
	Investment fees and costs	0.05% p.a.	Investment fees and costs	0.81% p.a.
	Transaction costs	0.01% p.a.	Transaction costs	0.02% p.a.

*The growth/defensive split relates to the strategic allocation and may change as asset allocations move within their allocation ranges.
+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.
^The investment fees and costs and transaction costs are based on the year ended 30 June 2024 and include several components which are estimates. These include performance fees which are required to be disclosed as an average over the past five years. The actual amount you will be charged in this and subsequent financial years will depend on the actual costs incurred in those years.

ready-made options (continued)

Ready-Made Options	High Growth
Description	Invests in a wide range of primarily Australian and international shares, infrastructure and private equity, along with some exposure to alternatives, property, debt and cash. With the highest allocation to growth assets across our Ready-Made options, this option may experience very high volatility.
Investment return objective long term	To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 4.0% (p.a.)
Probable number of negative annual returns over 20 years	4 to less than 6
Risk level	High
Suggested minimum investment timeframe	7 to 10 years
Type of investor this option may suit	Very ambitious

Overall growth/defensive split*

Growth	84%
Defensive	16%

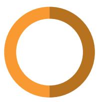
Strategic asset allocation

Asset class	Strategic allocation	Allocation range
Australian shares	32%	20 - 45%
International shares	34.5%	25 - 55%
Private equity	8%	0 - 20%
Alternatives	2%	0 - 15%
Infrastructure	9.5%	0 - 20%
Property	6%	0 - 10%
Global debt	5%	0 - 15%
Cash	3%	0 - 15%
Currency exposure+	24.5%	0 - 50%

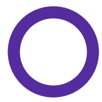
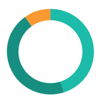
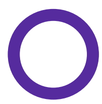
Investment fees and costs and Transaction costs^		
	Investment fees and costs	0.74% p.a.
	Transaction costs	0.04% p.a.

*The growth/defensive split relates to the strategic allocation and may change as asset allocations move within their allocation ranges.
+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.
^The investment fees and costs and transaction costs are based on the year ended 30 June 2024 and include several components which are estimates. These include performance fees which are required to be disclosed as an average over the past five years. The actual amount you will be charged in this and subsequent financial years will depend on the actual costs incurred in those years.

your choice options

Your Choice Options	Cash and Term Deposits	Diversified Bonds
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 is expected to earn a higher return than cash and may experience low volatility.
Investment return objective long term	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: • 50% Bloomberg AusBond Composite 0+ Year Index, and • 50% Bloomberg Global Aggregate ex Australia Index Hedged to $A.
Probable number of negative annual returns over 20 years	Less than 0.5	2 to less than 3
Risk level	Very low	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 portfolio, who would like to include cash, cash products and term deposits, or seeking exposure to this asset class.	An investor seeking to create their own portfolio, who would like to include debt and other fixed interest investments, or seeking exposure to this asset class.
Overall growth/defensive split*	 Growth 0% Defensive 100%	 Growth 0% Defensive 100%
Strategic asset allocation	 **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% Cash / 0% / 0 - 50% Currency exposure+ / - / -
Investment fees and costs and Transaction costs^	Investment fees and costs 0.02% p.a. Transaction costs 0.00% p.a.	Investment fees and costs 0.29% p.a. Transaction costs 0.00% p.a.

*The growth/defensive split relates to the strategic allocation and may change as asset allocations move within their allocation ranges.
+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.
^The investment fees and costs and transaction costs are based on the year ended 30 June 2024 and include several components which are estimates. These include performance fees which are required to be disclosed as an average over the past five years. The actual amount you will be charged in this and subsequent financial years will depend on the actual costs incurred in those years.

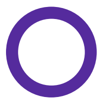
<table>
<tr><th>Your Choice Options</th><th>Property and Infrastructure</th><th>International Shares</th></tr>
<tr><td>Description</td><td>Invests in Australian and global property and infrastructure, along with some cash. This option is expected to earn a higher return than cash and global debt and may experience moderate volatility.</td><td>Invests in a range of companies listed on stock exchanges around the world. With a full allocation to shares, this option may experience very high volatility.</td></tr>
<tr><td>Investment return objective long term</td><td>Over the long term, to earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 3.0% (p.a.).</td><td>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 MSCI All Country World Ex-Australia Index (unhedged in AUD).</td></tr>
<tr><td>Probable number of negative annual returns over 20 years</td><td>3 to less than 4</td><td>4 to less than 6</td></tr>
<tr><td>Risk level</td><td>Medium to High</td><td>High</td></tr>
<tr><td>Suggested minimum investment timeframe</td><td>3 to 5 years</td><td>7 to 10 years</td></tr>
<tr><td>Type of investor this option may suit</td><td>An investor seeking to create their own portfolio, who would like to include property and infrastructure, or seeking exposure to this asset class.</td><td>An investor seeking to create their own portfolio, who would like to include international shares, or seeking exposure to this asset class.</td></tr>
<tr><td>Overall growth/defensive split*</td><td>
<table><tr><td>Growth</td><td>50%</td></tr><tr><td>Defensive</td><td>50%</td></tr></table></td><td>
<table><tr><td>Growth</td><td>100%</td></tr><tr><td>Defensive</td><td>0%</td></tr></table></td></tr>
<tr><td>Strategic asset allocation</td><td>
<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%</td><td>0 - 100%</td></tr></table></td><td>
<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>100%</td><td>0 - 100%</td></tr></table></td></tr>
<tr><td>Investment fees and costs and Transaction costs^</td><td>Investment fees and costs 0.90% p.a.
Transaction costs 0.04% p.a.</td><td>Investment fees and costs 0.32% p.a.
Transaction costs 0.03% p.a.</td></tr>
</table>

*The growth/defensive split relates to the strategic allocation and may change as asset allocations move within their allocation ranges.
+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.
^The investment fees and costs and transaction costs are based on the year ended 30 June 2024 and include several components which are estimates. These include performance fees which are required to be disclosed as an average over the past five years. The actual amount you will be charged in this and subsequent financial years will depend on the actual costs incurred in those years.

your choice options (continued)

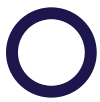
Your Choice Options	Australian Shares
Description	Invests in a range of companies listed on the Australian Stock Exchange, as well as a few that aren't. With a full allocation to shares, this option may experience very high volatility.
Investment return objective long term	Over the long term, to earn 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.
Probable number of negative annual returns over 20 years	6 or greater
Risk level	Very high
Suggested minimum investment timeframe	7 to 10 years
Type of investor this option may suit	An investor seeking to create their own portfolio, who would like to include Australian shares, or seeking exposure to this asset class.

Overall growth/defensive split*



Growth	100%
Defensive	0%

Strategic asset allocation



Asset class	Strategic allocation	Allocation range
Australian shares	100%	90 - 100%
Cash	0%	0 - 10%
Currency exposure+	-	-

Investment fees and costs and Transaction costs^		
	Investment fees and costs	0.17% p.a.
	Transaction costs	0.05% p.a.

*The growth/defensive split relates to the strategic allocation and may change as asset allocations move within their allocation ranges.
+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.
^The investment fees and costs and transaction costs are based on the year ended 30 June 2024 and include several components which are estimates. These include performance fees which are required to be disclosed as an average over the past five years. The actual amount you will be charged in this and subsequent financial years will depend on the actual costs incurred in those years.

other things to note about HESTA investment options

Additional considerations for all options

- for practical purposes, long term means 10 years.
- investment managers ("managers") may hold a small percentage of their mandate in cash for portfolio management purposes.
- risk/return profiles are based on capital market assumptions. Actual outcomes and relative risk and return may vary.
- the application of restrictions and exclusions may influence the composition of an asset class and result in greater concentration within an asset class.
- options with narrower asset class exposures and/or investment concentrations may result in greater volatility.
- higher levels of volatility may lead to different investment outcomes over shorter time periods.

Ready-Made Options

- in limited circumstances, investment options other than Balanced Growth may be excluded from having exposure to certain investments.
- from time-to-time, investment options may invest in assets that do not fit into the asset classes described and do not have a strategic asset allocation.

Your Choice Options

- in limited circumstances, Your Choice Options may be excluded from having exposure to certain investments.

Cash and Term Deposits

During periods of low cash-market interest rates, this option is expected to generate low returns. Returns may be negative in a negative interest rate environment.

Diversified Bonds

Government bonds are a significant portion of this option and may generate a negative return when interest rates are negative, as has occurred in certain countries. Investors should also expect a negative return from bonds in a rising rate environment.

Additional detail on Standard Risk Measure - probable number of negative returns and risk level

The Standard Risk Measure is forward-looking and uses a range of capital market assumptions (return, correlations and volatility) for each asset class and actual outcomes may vary. The Risk Level is derived from the Standard Risk Measure calculation.

These assumptions are informed by historical investment information. Real investment performance may differ from this theoretical modelling and past performance is no guarantee of future investment returns.

While designed to help you better understand the potential risk of an investment option, the Standard Risk Measure does not show you:

- how big a negative return might be
- if returns will meet your investment objectives
- effect of investment restrictions and exclusions
- other investment risks.

You should ensure you are comfortable with the risks and potential losses associated with your chosen option.

Investment managers and consultants

We engage a number of external Australian and international managers that invest members' money on behalf of HESTA. We also utilise strategies managed by our internal teams.

✓ A full list of our current managers is available at **hesta.com.au/investmentmanagers**

We also use external investment consultants to assist with investment objectives and strategy, manager selection and monitoring, and investment governance.

responsible investment

Responsible investment is an approach to investing that incorporates the consideration of environmental, social and governance (ESG) risks and opportunities in investment decision making and active ownership[1] to promote the best financial interests of members.

Our Responsible Investment Policy can be found at **hesta.com.au/responsible** and outlines our principles and commitments that direct our approach to responsible investment. This includes the selection and monitoring of our managers and our active ownership approach which includes engagement, voting and advocacy.

We seek to partner with managers that are aligned with our beliefs and corporate values, including our commitment to responsible investment. While all managers are expected to allocate appropriate resources to identify and respond to material responsible investment factors, the way and extent to which managers incorporate these into investment analysis and decision making and the standards used to assess investments will differ across the portfolio and are dependent on the relevance of a factor to each asset class and the style of the investments strategy (and subject to the exclusions listed on pages 23-24).

Examples of the type of responsible investment factors that may be considered include:

Environmental	Social	Governance
Climate change	Human rights	Culture
Resource scarcity & efficiency	Labour standards	Executive remuneration
Pollutions & waste	Health & wellbeing	Bribery & corruption
Natural capital & biodiversity	First Nations rights & relations	Board diversity & composition
	Modern slavery	Lobbying
	Diversity	Taxation practices
	Supply chain management	Corporate accountability & transparency
	Stakeholder engagement & communities	Shareholder rights

As part of our due diligence process, our listed and unlisted managers are asked to describe how breaches of international laws, standards and frameworks related to human rights, labour rights and environment are identified and mitigated as part of the investment process and are required to report any instances of non-compliance. For example, when considering labour issues, our managers may be informed by international standards such as: the UN Universal Declaration of Human Rights or International Labour Organization's International Labour Standards.

When assessing how a company is managing climate-related risk, a manager may consider a company's alignment with the goals of the Paris Agreement. Where we become aware that a manager's policies, procedures or operations do not comply with international laws, standards and guidelines, we will consider the appropriateness of the manager's ongoing appointment.

1 **unpri.org/investment-tools/stewardship/active-ownership-20**

Active ownership

Active ownership is the process by which HESTA seeks to leverage its rights as a shareholder or lender to influence management of responsible investment factors that can impact long term returns at both the company and market level. By engaging with our investment managers, portfolio companies, assets, regulators and policy makers we seek to influence the management of material issues that can impact long-term returns at both the company and market level.

HESTA pursues active ownership through the tools of engagement, voting and advocacy. Where an issue is identified and is assessed as being of material risk to the portfolio, HESTA's escalation framework sets out some of the activities available for the escalation of portfolio companies and their approaches to the management of these risks. Escalation can include use of either one or a combination of escalation tools such as a 'watchlist', votes against 'Say on Climate' resolutions, director re-elections, support or filing of shareholder resolutions and/or consideration of divestment where we consider that progress has been insufficient to address the risks, and where we have formed the view that further engagement is unlikely to achieve alignment with our objectives and where we consider this to be in the best financial interests of our members. The escalation framework is responsive to engagement progress, new information and resultingly, it may not be sequential.

As a large and diversified asset owner, the financial performance of our portfolio is supported by a strong and stable market and influenced by systemic risks and opportunities[2]. Factors such as gender equality, decent work, and good health and wellbeing support strong market fundamentals including economic growth that drive member investment returns, while systemic risks such as climate change and biodiversity loss have the potential to undermine these returns. System level issues cannot be mitigated through diversification or divestment. We endorse the ambitions of the United Nations Sustainable Development Goals (SDGs) as an ambitious framework to address systemic risks, and identify areas of opportunity, and we prioritise a number of SDGs through our resource allocation to each. We aspire to contribute to outcomes aligned with the aims of these priority SDGs through our capital allocation and active ownership.

2 Systemic risks are those that threaten the functioning of the economic, financial and wider systems on which investment performance relies (United Nations Environment Project Finance Initiative).

Our approach to responsible investment specific to Sustainable Growth

Our Sustainable Growth investment option seeks to avoid exposure to particular activities and tilt investment towards companies and assets whose activities are thematically aligned with one or more of the United Nations Sustainable Development Goals (SDGs).

The Sustainable Growth investment option has been certified and classified by the Responsible Investment Association Australasia according to the operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au for details and **RIAA's Financial Services Guide** for details.[1]

CERTIFIED RESPONSIBLE INVESTMENT ™

SUSTAINABLE PLUS

CERTIFIED BY RIAA

1 The Responsible Investment Certification Program provides general advice only and does not take into account any person's objectives, financial situation, or needs. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Because of this, you should consider your own objectives, financial situation and needs and also consider the terms of any product disclosure document before making an investment decision. Certifications are current for 24 months and subject to change at any time.

Sustainable Growth shares	Invested with active equities managers who seek to tilt investment toward companies whose activities are thematically aligned with one or more SDGs[2] or that have stronger than average responsible investment practices relative to peers. Passive equity managers provide cost effective exposure to a broader range of companies whilst still applying our investment restrictions and exclusions.
Sustainable Growth global debt and cash	Invested with active credit managers that seek to tilt investment toward companies whose activities are thematically aligned with one or more SDGs[2] or that have stronger than average responsible investment practices relative to peers. Investments may include green labelled bonds or sustainability-linked bonds. Cash and sovereign debt managers apply the exclusions as described in the table on page 23 and 24.
Sustainable Growth private equity	Managed by managers that seek to invest in companies whose activities are thematically aligned with one or more SDGs[2] or that have stronger than average responsible investment practices relative to peers.
Sustainable Growth property	Investments in property will focus on assets whose activities are thematically aligned with one or more SDGs[2] or will be assets managed by managers with above average responsible investment practices relative to peers. Responsible investment practices may be evidenced, for example, by above average ratings for Global Real Estate Sustainability Benchmark (GRESB), or NABERS, or commitments to Net Zero carbon emissions by 2030.
Sustainable Growth infrastructure	Investments in infrastructure will focus on assets whose activities are thematically aligned with one or more SDGs[2] or will be managed by managers with above average responsible investment practices relative to peers. This may be evidenced, for example, by above average ratings for GRESB, undertaking sustainability linked financing, or commitments to Net Zero carbon emissions by 2050.
Sustainable Growth alternatives	Investments that specifically seek to deliver positive impact by addressing identified challenges where there is under-developed institutional investment capability. Investments focus on Australia and include health, housing and community services.

2 We measure alignment to SDGs based upon third party data and/or managers propriety systems.

Our investment restrictions and exclusions

As part of our approach to responsible investment, we have implemented exclusions as shown in the following table. The application of these exclusions may result in greater concentration of assets held and volatility. While the exclusions will be applied across all asset classes wherever possible, there are some exclusions and data sources for which only listed company information is available.

Implementation of the exclusions is based upon data supplied by external data providers and may be affected by the accessibility and accuracy of data, implementation delays where there has been a material change to the nature of an investment, or an error by an external service provider. There may be limitations in the application of exclusion data related to listed companies with unlisted funds and assets. In the event of a merger, HESTA may also receive investments that were previously not subject to our investment restrictions and exclusions. Further, through its use of derivatives or through collateral received as a result of its investment activities, HESTA may be exposed to investments that are the subject of its investment restrictions and exclusions. These factors may result in HESTA directly or indirectly holding or being exposed to excluded companies, typically over the short term, which will be removed or managed on a case-by-case basis taking into account matters such as available options, liquidity, market conditions, investment fund structure, and best financial interests of members.

Where revenue thresholds apply to exclusions, external data providers use the definition of revenue as being the gross inflow of economic benefits arising from the course of the ordinary activities of an entity which generally accords with the International Accounting Standards definition found in IAS 18 and IFRS 15. In the absence of such data, they consider net sales or operating revenue as reported by the company in its financial statements for the purpose of revenue estimations.

	Portfolio-wide exclusions (excluding Sustainable Growth)
Tobacco	Any company that produces or manufactures tobacco and tobacco related products, including traditional and alternative smoking products, such as e-cigarette devices and vapes.
For-profit detention	Any company that provides the services of asylum seeker detention centres.
Controversial weapons	Any company that manufactures whole weapon systems or components developed for exclusive use in cluster munitions, anti-personnel mines, biological or chemical weapons.
Nuclear weapons	Any company that derives 5% or more revenue from the manufacture of whole weapon systems or components developed for exclusive use in nuclear weapons.
Fossil fuels	• Any listed company that derives 15% or more revenue from the mining of thermal coal^. ^Thermal coal includes lignite, bituminous, anthracite and steam coal and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading. • Any unlisted company that derives 15% or more revenue from mining or transportation of thermal coal. • Any company that derives 75% or more revenue from the extraction, production and refining of unconventional oil and gas, and 75% or more of its reserves from unconventional oil and gas. Unconventional oil and gas includes tar sands, shale oil and gas and coal seam gas.

	Sustainable Growth exclusions
Tobacco	Any company that: • produces or manufactures tobacco and tobacco related products, including traditional and alternative smoking products, such as e-cigarette devices and vapes; or • derives 15% or more revenue from the manufacture or supply of key products necessary for the production or manufacture of tobacco products; or the wholesale or retail of tobacco or tobacco products.
For-profit detention	Any company that provides the services of asylum seeker detention centres or for-profit prisons, e.g. correctional facilities.
Controversial weapons	Any company that manufactures whole weapon systems or components developed for exclusive use in cluster munitions, anti-personnel mines, biological or chemical weapons.
Nuclear weapons	Any company that manufactures whole weapon systems or components developed for exclusive use in nuclear weapons.
Uranium	Any company that owns or operates active uranium mines.
Weapons	Any company that derives 5% or more revenue from military weapons production, civilian firearm production or retailing.

	Sustainable Growth exclusions
Fossil fuels	Any company that: • derives any revenue from the mining or exploration of thermal coal; any revenue from the extraction, production, refining of conventional and unconventional oil and gas; has any total volume proved and probable reserves of thermal coal and metallurgical coal; or, has any total volume of proved reserves of oil and gas;^^ ^^Thermal coal includes lignite, bituminous, anthracite and steam coal and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading. The data received from our external provider for the purpose of oil and gas screening aggregates conventional and unconventional oil and gas reserves of each company screened. • derives 15% or more revenue from the generation of electricity from fossil fuels; 15% or more revenue from oil and gas pipelines and/or transportation; 15% or more revenue from the distribution and/or retailing of conventional and unconventional oil and gas; or • derives 15% or more revenue from equipment and/or services for the exploration and production of conventional and unconventional oil and gas; or • derives 50% or more revenue from indirect services to the fossil fuel sector. For example, the provision of specific materials, contracted services and transportation.* *The option holds a very limited number of companies within the private equity asset class that generate >50% of their revenue from the provision of services to the oil and gas sector. While some of these assets have been exited to-date, due to the illiquid nature of the assets, further time is required to exit the remaining assets. This is anticipated to occur by July 2025.
Red flags identified by our data provider related to human and labour rights breaches[1]	Any listed company identified by our data provider as having a "red flag" related to human rights or labour rights breaches. Breaches may relate to: **Human rights** • support for controversial regimes • freedom of expression and censorship • other human rights abuses and adverse impact on a community. **Labour rights** • labour management • employee health and safety • collective bargaining and unions • discrimination and workforce diversity • supply chain employee relations standards.
Red flags identified by our data provider related to environmental breaches[1]	Any listed company identified by our data provider as having a "red flag" related to environmental breaches. Breaches may relate to: • land use and biodiversity • toxic spills and releases • energy and climate change • water management • operational non-hazardous waste • environmental impact of products and services • supply chain environmental impacts.
Poor ESG policies and systems	Any listed company that scores a 'CCC' ESG rating. Companies are ranked from AAA (best) to CCC (worst). Ratings are determined by how well a company manages material ESG risks compared with sector peers. Please see page 20 for some examples of ESG factors that are considered.
Uncertified palm oil	Any company that derives 10% or more revenue from the production and/or distribution of palm oil and has less than 50% Roundtable of Sustainable Palm Oil (RSPO) certified oil. The RSPO certification requires companies to adhere to a strict set of principles and criteria for sustainable palm oil production.
Gambling	Any company that derives 5% or more revenue from the operation, licensing, and provision of key products or services fundamental to gambling operations.
Live animal exports	Any company that derives 10% or more revenue from the long-distance transport and/or export of animals for the purpose of selling live animals for slaughter, husbandry or breeding subjects, including specialised transportation services.
Poor Sovereign ESG rating	Applicable to global debt securities, any country that scores a 'CCC' ESG rating. Our data provider scores and ranks countries from AAA (best) to CCC (worst). Ratings are determined by how well a country manages underlying factors across ESG issues. This exclusion also captures sub-national local authorities (such as states and provinces) who are exposed to similar ESG risks as countries.

1 For incident-based exclusions e.g. human, labour rights and environmental breaches, HESTA may exercise discretion to not exclude a company or to re-invest in a company following a period of exclusion if a company can demonstrate through engagement that it has addressed the cause of the previous incident/s and the associated risk has been mitigated.

currency and derivatives management

How is currency exposure managed?

The Australian dollar value of an investment in an international asset may be affected in two ways:

- by changes in the value of the actual asset, and
- by changes in the relative value of the Australian dollar and the foreign currency.

Because we have to convert all investments back to Australian dollars, if the value of the Australian dollar rises relative to a specific overseas currency, the value of the foreign assets will fall. Similarly, if the value of the Australian dollar falls, the value of foreign assets rises

Currency hedging is a risk management strategy designed to reduce the impact of changes in the value of currencies on the value of foreign investments. Hedging can reduce a potential loss from unfavourable currency movements, but it can also reduce a potential profit.

Strategic foreign currency exposure

All Ready-Made Investment Options and Your Choice Options - International Shares and Property and Infrastructure, have a long term strategic allocation target and ranges for foreign currency exposure. This is called the strategic foreign currency exposure. The remaining foreign currency exposure is hedged. The strategic foreign currency exposure is implemented by specialist currency managers.

These options may also invest in active currency strategies.

Foreign currency exposure for Your Choice Options

All Your Choice Options – apart from International Shares – typically aim to have 100% of their foreign currency exposure hedged. This is to ensure that members who invest in these Options receive the return of the respective underlying asset classes, unaffected by the impact of currency movements.

Your Choice – International Shares may also invest in active currency strategies.

Derivatives

A derivative is a financial instrument whose value depends on, or is derived from, the value of some other underlying asset or index. Derivatives are generally used to improve the risk-adjusted returns of our options. They provide an efficient way to add or remove market risk and assist in liquidity, transition, cost, and risk management.

Our derivative usage is governed by an internal policy, covering risk monitoring and controls. HESTA does not use derivatives speculatively to gear the portfolio nor to create net short positions.

unit pricing

What are unit prices?

When you add money to your super, you're purchasing units in your chosen investment option. When you withdraw money, or when fees and costs or taxes are deducted from your account, you sell units in your chosen investment option.

Unit prices go up and down as they are calculated in line with the value of the assets underlying the investment option. This means that the investment earnings are reflected in the unit price of each investment option.

You can see the number of units you own in your online account at **hesta.com.au/login** The value of your account is calculated by the number of units you hold in an investment option multiplied by the current unit price.

How are daily unit prices calculated?

Unit prices are calculated at the close of business (COB) each business day[1] for the prior business day. These are then applied to accounts and published on the website the next day on a continuous daily cycle.

The return of each investment option is published on the website daily, reflecting changes in the unit price. For the latest unit prices go to **hesta.com.au/performance**

We reserve the right to calculate or publish unit prices less frequently, modify, suspend or initiate additional pricing in certain situations to ensure prices are calculated equitably, reasonably and fairly. If we do need to suspend a unit price for any or all of our options, this may impact the timing of your transactions and we will endeavour to let you know if this occurs.

How are unit prices applied to transactions?

Each time you move money into or out of an investment option, the transaction involves buying and selling units. The following table shows the unit price that applies to money-in and money-out:

Money-in Includes employer and personal contributions, money you roll in from other funds, insurance benefits etc.	Will be applied to your account using the unit price effective in the system for the date the money is received into HESTA's bank account.
Money-out Includes rollovers out, withdrawals, lump sum payments for claims, insurance premiums and deductions.	Will use the most recent unit price available in the system on the day we process the payment.

Changing your investment options

You can switch the investment option for your current account balance at any time, at no extra cost.

Valid investment switches received by 11.59pm (via your online account) or by 4pm (via email or post) AET on a business day[1], will receive the unit price calculated at the close of the next business day. You can also elect to change your strategy for future contributions.

Any valid investment switch request received after these times or on a non-business day will be treated as being received the next business day.

Requests that are received before 11.59pm (via your online account) or before 4pm (via email or post) AET on a business day[1] to change the way your future contributions and transfers are invested will take effect the same day.

How are unit prices applied to investment switches?

It takes up to three business days to collate valuation data and reflect this in unit prices to apply to your investment switch.

Please note:

- You can cancel a switch by calling HESTA before 5pm AET on the same business day[1] the switch was requested.
- With an investment switch, units in the current investment option are sold and units in the option you are switching to are bought. Units that are sold at a different price than they were bought will trigger investment gains or losses. This may be reflected as interest, investment return or earnings which represents the value of the change in unit prices. This may also be captured in your annual statement or online transactions.
- Incorrect or incomplete switching requests may delay the processing of switches. HESTA has the discretion to refuse an application.

1 Weekends and weekdays that fall on a National public holiday and the King's birthday (VIC/NSW) when the Australian Stock Exchange (ASX) is closed are non-business days.

your guide to investment terms

Some investment terminology may be new to you.
Read on to get a better understanding of commonly used terms.

Asset

Something that can be held or sold for the purpose of earning a return.

Asset classes

A group of similar assets. Some examples of asset classes include shares, debt, and cash. Each asset class has a different level of expected risk and return.

Asset allocation ranges

These ranges set the maximum and minimum amount that can be invested in an asset class.

Indices

The indices we use as investment option benchmarks are:

Bloomberg Global Aggregate ex Australia Index

Includes global investment grade debt of all maturities and covers both developed and emerging markets issuers.

Bloomberg AusBond Bank Bill Index

This index measures the performance of an investment in major bank issued money market securities.

Bloomberg AusBond Composite 0+ Year Index

This index includes investment grade debt of all maturities issued in the Australian debt market.

Consumer Price Index (CPI)

Consumer Price Index is a measure of quarterly changes in the price of everyday goods and services – i.e. groceries, transport, medical care etc. Changes in CPI are used to measure changes in the cost of living.

MSCI All Country World (ACWI) Ex-Australia Index (unhedged in AUD)

This index tracks large and mid-cap shares from developed and emerging market countries excluding Australia.

S&P/ASX 300 Accumulation Index

This index includes up to 300 of Australia's largest securities by float-adjusted market capitalisation. The index assumes that all dividends are re-invested, so it measures both price growth and dividend income.

Passive versus active investment management

Passive investment management aims for returns very close to a market index. Active investment management tries to outperform the market by researching, monitoring and choosing investments that the managers believe can deliver a better return than the market index.

Active managers often expect to charge a higher fee for this outperformance. An investor will pay higher fees using active strategies. If outperformance is achieved, however, the investor should also benefit from higher returns net of any fees paid.

HESTA only employs active managers where we believe they can achieve sufficient outperformance to justify the higher fees that they charge. It is important when considering an investment option to not only look at the investment costs but also the long term performance. Where appropriate, investment options are managed by a combination of active and passive managers.

Portfolio

A range of investments across a group of asset classes, managed together to help achieve a single performance objective.

Strategic asset allocation

The proportion of each HESTA investment option that may be invested in each asset class to achieve the option's long term risk and return objectives. The strategic asset allocation is the main influence on the expected return of any option.

fees, costs and investment performance

Investment fees and costs

Investment fees and costs are deducted from the valuation of investments before daily unit prices are calculated and are not deducted directly from your account.

The investment fees and costs include amounts that are paid directly out of the Fund and through underlying investment vehicles in relation to the management, monitoring and safe keeping of investments. These fees and costs include amounts paid to our investment service providers directly, to those managing and monitoring the underlying assets in the investment vehicles we invest in and also to HESTA's internal investment team and the people, data and systems that support them. Fees and costs are generally apportioned to the asset class where they are incurred.

Performance fees

Performance fees are included in the calculation of investment fees and costs. Performance fees may be paid directly by the Fund or by an investment vehicle in which we invest.

Performance fees are calculated on an accruals basis.

Typically, performance fees are paid if a manager's returns are above an agreed hurdle (minimum) return, in excess of an agreed benchmark, and may include a negative amount if performance is below the required level in any particular year.

Transaction costs

Transaction costs are deducted from the valuation of investments before daily unit prices are calculated. They may be paid directly by the Fund or may reduce the earnings distributed to the Fund from an interposed vehicle. Transaction costs are associated with acquiring or disposing investments.

Each investment option incurs transaction costs related to the type and complexity of the assets invested in.

Transaction costs are not directly charged to members but are an additional cost to the member if not recovered in the form of a buy-sell spread fee. HESTA does not charge a buy-sell spread fee to its members.

How does HESTA compare?

When looking at fees and costs, keep in mind performance. HESTA may invest in some higher-fee strategies to seek higher returns for members. The aim is to achieve higher returns net of any fees and costs.

When comparing our fees and costs against other funds, it's important to consider how fees and costs are charged and whether they are deducted from your account or deducted from the valuation of investments before daily unit prices are calculated. Some funds may have a lower investment fee but could be deducting more fees directly from their members' accounts.

For updated investment returns visit **hesta.com.au/investmentperformance**

With the right guidance, managing your super can be straightforward.

Our help and advice service is here to give you guidance. Our Superannuation Specialists can help make super relevant and show you some hassle-free ways to boost your super and protect your future.

Getting the right advice, starts with you

Of course, getting the right advice starts with understanding what you want and which option fits in best with your life. In addition to advice, we also provide a variety of help options – from the convenience of online help, right through to workplace help sessions. All you need to do is choose the options that work best for you.

Help

On demand interactive videos – 24/7

- contributions
- Income streams
- financial help and advice
- Age Pension
- investments
- retirement
- combining super
- insurance.

Get your super questions answered.

Retirement hub

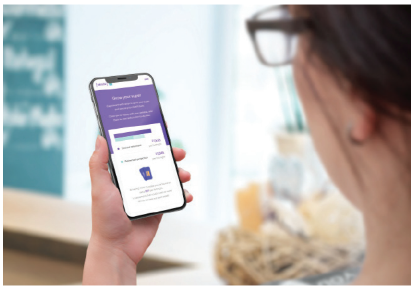
- what does retirement advice include and cost?
- get help applying for the Age Pension
- estate planning services
- make a time to talk to a team member
- what our members say about advice from HESTA

hesta.com.au/super-central

Retirement planning information sessions – demystify retirement

- boosting your super before retirement
- transition to retirement
- stretching your super further
- creating a comfortable retirement
- super and the Age Pension.

Advice



Future Planner[1]

- lifestyle planning for retirement
- calculate what your retirement income could be, including Age Pension
- model changes to your investments, contributions or retirement age on your projected retirement income.

Explore how you can make the most of your super and your future.

One-on-one advice

- review your investment options
- lump-sum contribution advice
- determine the most tax-effective way to make additional contributions to your super
- determine the adequacy of your income in retirement
- consider your insurance needs.

Personal retirement advice – get the most out of your retirement

- setting your retirement goals
- super and the Age Pension
- maintaining your super and insurance when you start accessing your super
- help with creating a personalised transition to retirement strategy through superannuation
- fees may apply.

1 Not available to HESTA Income Stream members

contact us

hesta@hesta.com.au | 1800 813 327 | Locked Bag 35007 Collins St West VIC 8007 | **hesta.com.au**

HESTA

An Industry SuperFund

Super with impact

HSTC107 4/25 ISS26

hesta.com.au