

Member outcomes assessment

Financial year ended 30 June 2025

The information in this document relates to:

- **HESTA Super**
- **HESTA Personal Super**
- **HESTA Corporate Super**

Members of these products who have not made a choice where to invest their money or have chosen to invest all their money in Balanced Growth are members of *HESTA MySuper*. All other members of the products are members of *HESTA Choice – Accumulation* for the purpose of this assessment.

Overview

HESTA is a specialist industry super fund with deep connections to health and community services. We invest in and for people who make our world better.

This document is a summary of our Member Outcomes Assessment for the financial year ended 30 June 2025. It provides key findings about our accumulation products and may provide helpful insights for existing members and people thinking about joining HESTA.

While completing this assessment, we compared our products and services with those offered by a broad range of other funds. This helps us understand how our products compare, and is one of the many regular activities we undertake to review and refine our products and services to best meet our members' needs.

The reporting period has been a time of unprecedented change for HESTA, with our transition to a new outsourced administration provider. While we're excited for the opportunities the change provides in improving member experiences, some features and services were limited during the transition period in 2025, affecting our results in the *Services and Benefits* section of this assessment.



We're pleased to advise that our products were assessed for the 2024-25 financial year and continue to promote the financial interests of our members.



How we assessed ourselves and how we compare

Each year we are required to assess our performance to determine whether the financial interests of members are being promoted.

We do this by comparing our products against other comparable products in relation to investment returns, level of investment risk, fees and costs (comparison factors).

We also assess the appropriateness of our investment and insurance strategy, basis for setting fees, features of our products and member services (assessment factors), and considered the most recent results from the Australian Prudential Regulation Authority's (APRA) Annual Superannuation Performance Test.

This year our assessment has determined that the financial interests of members are being promoted. This document provides a summary of our assessment.

Data we have used for our comparisons with other funds

In undertaking our comparisons, we have relied on data prepared by SuperRatings and Chant West¹ which reviews the performance of cohorts of superannuation funds that have similar investment strategies and features. If you would like to view a full list of the funds we compare against you can download this from hesta.com.au/moa.

¹ Our assessment considers a range of data sources including SuperRatings' Fund Crediting Rate Survey 2025, Chant West's Member Outcome Dashboard June 2025 and APRA's 2025 Comprehensive Product Performance Package.

Comparison factors

How we compare

The HESTA MySuper option returns for the year to 30 June 2025 were ranked better than the median for 3, 5 and 10-year periods when compared to other MySuper Products, and in the third quartile for one year.

Source: SuperRatings Fund Crediting Rate Survey, June 2025. Median is based on the SuperRatings SR50 MySuper Index. The analysis also considers APRA's Comprehensive Product Performance Package (CPPP) data for MySuper as at 30 June 2025. Returns are net of investment fees and costs, transaction costs and taxes. Past performance is not a reliable indicator of future performance.

Investment returns – MySuper option

Balanced Growth (MySuper)

Period from 1 July 2024 to 30 June 2025

1-year return

10.18%

3-year returns*

9.62%

5-year returns*

9.02%

10-year returns*

7.64%

* Average return p.a. over this period.

Relative to median of comparable products

Better (over the long term)

Lower (one year)

Investment returns - HESTA Choice – Accumulation options

The table below shows the performance of the different HESTA Choice accumulation options compared with other investment options with a similar investment strategy.

Most of our investment options performed better than the median over most time periods assessed when compared to other investment options with a similar investment strategy. Additionally, all options subject to the annual superannuation performance test conducted by APRA continued to deliver returns above their designated benchmarks. This includes the Property and Infrastructure option, which does not have a direct peer comparison.

HESTA investment option	1-year return		3-year returns		5-year returns		10-year returns	
	HESTA (%) p.a.	Relative to median of comparable products	HESTA (%) p.a.	Relative to median of comparable products	HESTA (%) p.a.	Relative to median of comparable products	HESTA (%) p.a.	Relative to median of comparable products
All returns are averaged for the relevant period to 30 June 2025								
Balanced Growth	10.18	Lower	9.62	Better	9.02	Better	7.64	Better
Conservative	7.38	Lower	6.18	Better	5.12	Better	5.22	Better
Indexed Balanced Growth	12.01	Better	12.11	Better	N/A	No return	N/A	No return
Sustainable Growth	11.06	Better	9.31	Lower	8.18	Lower	8.39	Better
High Growth	12.00	Better	12.16	Better	11.54	Better	9.20	Better
Cash and Term Deposits	4.06	At median	3.53	Lower	2.18	Lower	1.95	Better
Diversified Bonds	5.46	Lower	3.03	Lower	0.30	Better	2.11	Better
Property and Infrastructure ²	6.19	No benchmark	3.03	No benchmark	6.12	No benchmark	6.15	No benchmark
International Shares	17.08	Better	17.49	Better	13.25	Better	10.09	Better
Australian Shares	11.93	Lower	12.80	Better	11.90	Better	9.00	Better

Source: SuperRatings Fund Crediting Rate Survey June 2025. Medians are based on the following Indexes: SR50 Balanced (60-76) Index (Balanced Growth), SR50 Capital Stable (20-40) Index (Conservative), Balanced (60-76) Index (Indexed Balanced Growth and Sustainable Growth), SR50 Growth (77-90) Index (High Growth), SR50 Cash Index (Cash and Term Deposits), SR25 Diversified Fixed Interest Index (Diversified Bonds), SR50 International Shares Index (International Shares), SR50 Australian Shares Index (Australian Shares). Returns are net of investment fees and costs, transaction costs and taxes. Past performance is not a reliable indicator of future performance.

HESTA investment options

10-year returns* to 30 June 2025

Super is a long-term investment, and our 10-year performance demonstrates this commitment.

- ➔ Most of our investment options performed better than the median over 10 years when compared to other investment options with a similar investment strategy.
- ➔ Please note: The Indexed Balanced Growth option commenced on 1 October 2020, so long-term return data is not available.

Ready-Made Options*



Your Choice Options*



Source: SuperRatings Fund Crediting Rate Survey June 2025. Medians are based on the following Indexes: SR50 MySuper Index (Balanced Growth MySuper), SR50 Balanced (60-76) Index (Balanced Growth), SR50 Capital Stable (20-40) Index (Conservative), Balanced (60-76) Index (Indexed Balanced Growth and Sustainable Growth), SR50 Growth (77-90) Index (High Growth), SR50 Cash Index (Cash and Term Deposits), SR25 Diversified Fixed Interest Index (Diversified Bonds), SR50 International Shares Index (International Shares), SR50 Australian Shares Index (Australian Shares). Returns are net of investment fees and costs, transaction costs and taxes. Past performance is not a reliable indicator of future performance.

* Average returns are p.a. for the period

³ The Property and Infrastructure option consists largely of private market assets and does not have a comparable peer group.



Investment risk

All investments carry a level of risk. The level of risk depends largely on the type of investments you're invested in. We use the Standard Risk Measure (SRM) as a basis to compare the risk levels of investment options across other funds. This measure describes risk based on how many negative annual returns you can expect over a 20 year period.*

- Our investment risk rating for HESTA MySuper is in line with other MySuper options with a similar growth / defensive asset split and remains appropriate for MySuper members.
- Our investment risk ratings for options within HESTA Choice (Accumulation) are in line with comparable products and remain appropriate.

* 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 size or sequencing of when those negative returns may occur.

The table below shows each option's SRM and the range of SRMs from comparable peer options.

HESTA Accumulation options

HESTA investment option	HESTA SRM Rating	Comparable options SRM Rating ⁴
HESTA MySuper	High	Medium to High
Balanced Growth	High	Medium-High to High
Conservative	Medium	Low-Medium to Medium-High
Indexed Balanced Growth	High	Medium to Very High
Sustainable Growth	High	Medium to Very High
High Growth	High	Medium-High to High
Cash and Term Deposits	Very Low	Very Low to Low
Diversified Bonds	Medium	Low-Medium to Medium-High
Property and Infrastructure	Medium-High	N/A ⁵
International Shares	High	High to Very High
Australian Shares	Very High	High to Very High

⁴ SuperRatings Standard Risk Measure Survey as at 30 June 2025.

⁵ The Property and Infrastructure option consists largely of private market assets and does not have a comparable peer group.

Our investment options are monitored to help ensure expected outcomes are consistent with the intended risk/return profile.

Fees and costs

The fees and costs we refer to in this section include administration fees and costs as well as investment fees and costs (including transaction costs and performance fees).

Comparatively lower fees can help members achieve better retirement outcomes over time.

→ The table below shows how the fees and costs for our investment options compare to the median fee of the relevant comparison group.

→ Fees and costs for the period from 1 July 2024 to 30 June 2025 for a representative member with a balance of \$50,000 in our MySuper option, were below the median fee when compared to other MySuper options.

HESTA MySuper

Period from 1 July 2024 to 30 June 2025

Balanced Growth (MySuper)

HESTA	\$442
Median	\$442.50

HESTA fees

\$442

Relative to median of comparable products

Below

(our fees and costs were lower than the median)

Source: SuperRatings June 2025. Median fee is based on the administration fees and costs and the investment fees and costs for options within the SuperRatings SR50 MySuper Index. The fees and costs are based on a representative member with a \$50,000 account balance. Insurance premiums and other fees and costs may apply. See the Product Disclosure Statement for full details.

HESTA Choice – Accumulation products

Fees and costs for the period from 1 July 2024 to 30 June 2025 for a representative member with a balance of \$50,000 in our investment options were below the median fee for most options when compared to other options with similar investment strategies.

Period from 1 July 2024 to 30 June 2025			
HESTA investment option	HESTA Fees (\$)	Median (\$)	Relative to median of comparable products
Balanced Growth MySuper	442.00	442.50	Below
Balanced Growth	442.00	462.20	Below
Conservative	352.00	386.55	Below
Indexed Balanced Growth	192.00	438.00	Below
Sustainable Growth	527.00	438.00	Above
High Growth	512.00	470.50	Above
Cash and Term Deposits	167.00	180.00	Below
Diversified Bonds	312.00	297.30	Above
Property and Infrastructure ⁶	622.00	No Benchmark	No Benchmark
International Shares	297.00	381.00	Below
Australian Shares	267.00	379.16	Below

⁶ The Property and Infrastructure option consists largely of private market assets and does not have a comparable peer group.

Source: SuperRatings June 2025. Median fee is based on the administration fees and costs and the investment fees and costs for options within the SuperRatings Index of a similar investment strategy to the HESTA option. Medians are based on the following Indexes: SR50 MySuper Index (Balanced Growth MySuper), SR50 Balanced (60-76) Index (Balanced Growth), SR50 Capital Stable (20-40) Index (Conservative), Balanced (60-76) Index (Indexed Balanced Growth and Sustainable Growth), SR50 Growth (77-90) Index (High Growth), SR50 Cash Index (Cash and Term Deposits), SR25 Diversified Fixed Interest Index (Diversified Bonds), SR50 International Shares Index (International Shares), SR50 Australian Shares Index (Australian Shares). The fees and costs are based on a representative member with a \$50,000 account balance. Insurance premiums and other fees and costs may apply. See the Product Disclosure Statement for full details.

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Assessment factors

Services and benefits

Our analysis found that the options, benefits, and facilities available to members in HESTA's products are appropriate for those members.

HESTA has a range of services available to members which are tailored to suit their needs and circumstances.

In reaching this finding, we considered the availability of services and member usage as compared to other funds. Chant West data⁷ showed that HESTA's options, benefits, and facilities were well utilised by members, in spite of a limited service period while we transitioned to a new outsourced administrator during which members did not have access to certain benefits and facilities for a period of time. The range of services available outside of this limited service period were similar to those offered by our peers.

The fees and costs for our options, benefits and facilities are appropriate, comparing favourably to peers and coming in below the median.

Investment strategy

HESTA MySuper Balanced Growth is a Ready-Made diversified investment option which is designed to meet the needs of members who do not exercise choice in their investment option based on the understanding of our members' characteristics and likely investment objectives.

HESTA Choice – Accumulation investment options comprise ready-made, diversified investment options and specific asset class/classes options to meet the needs of members who want exposure to a diversified portfolio of investments across different asset classes and with different risk/return outcomes. We have determined the range of options offered to be appropriate.

HESTA has an investment strategy that sets out the investment characteristics of our options, including our MySuper option. In assessing our investment strategy for the purpose of this Member Outcomes Assessment, we have examined investment objectives, risk profiles and long-term strategic asset allocation targets and ranges and confirm they remain appropriate for HESTA members.

Insurance strategy and fees

Our analysis found that for insured members in our accumulation products, most members hold default cover and our insurance strategy remains appropriate.

Our insurance benefit design carefully considers our members' demographics and needs. The insurance cover for death and disability is provided through group insurance policies that pool member risks. This structure delivers cost-effective default cover to members without requiring health evidence or underwriting.

Our default cover design is generally intended to provide eligible members with a basic level of cover. HESTA considers our member demographics and the protection of their retirement outcomes when setting the level of insurance fees.

The insurance benefit design also has flexibility to cater for more specific insurance needs that may not be satisfied by the default cover, and provides eligible members with the ability to increase their level of cover without having to provide extensive medical evidence in some circumstances.

⁷ Chant West Member Outcome Dashboard June 2025 – comparing HESTA with most MySuper and Choice products in the market (excluding any employer plans).

Scale and size of business operations

We have determined that the scale and size of HESTA's business operations do not disadvantage members, and our operating costs are not inappropriately affecting the financial interests of members.

When compared against most funds in the market⁸ HESTA performs better than the benchmark in most metrics that we assessed, including:

- operating expense per member of \$217 is lower than the median of \$236
- membership growth of 2.4% is above the median of 0.3%
- net benefit to HESTA MySuper members demonstrates outperformance over the median recorded over 5 and 10 years
 - 5 year: \$31,737 (Median: \$28,759)
 - 10 years: \$75,796 (Median: \$67,055).

As HESTA grows, the benefits of scale are expected to drive investment fees lower. Our size gives us access to sophisticated investment opportunities that require significant capital, while also strengthening our ability to negotiate competitive fees with external fund managers. This means our members benefit from diverse investment expertise, broad market insights, and costs that remain competitive.

With over one million members and \$96 billion in assets⁹, we can use our scale and size to deliver value to all our members.

Basis for setting fees

Our analysis found that HESTA's fees and costs, and the basis for the setting of fees generally on a cost recovery basis is appropriate for members currently invested in HESTA products.

All fees deducted from member accounts are retained in the reserves to fund the operations of the Fund, planning for significant projects that are not business as usual, address risks or respond to any initiatives that aims to benefit members (and in accordance with reserving policies).

contact us

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APRA annual superannuation performance test

Our HESTA MySuper product passed the APRA annual performance test¹⁰ with a score of 0.55%. The benchmark for a pass result was -0.50%.

Each of the following Choice Accumulation investment options also passed the APRA annual performance test¹⁰.

HESTA investment option	Metric (%)	Result
Conservative	0.83	Pass
Diversified Bonds	0.23	Pass
High Growth	0.92	Pass
Indexed Balanced Growth ¹¹	N/A	Pass
Property and Infrastructure	0.98	Pass
Sustainable Growth	0.98	Pass

The Cash and Term Deposits, International Shares, and Australian Shares investment options are single sector investment options which are not subject to the APRA annual performance test¹⁰.

⁸ Chant West Member Outcome Dashboard June 2025 – comparing HESTA with most MySuper and Choice products in the market (excluding any employer plans).

⁹ Represents membership and funds under management as at 30 June 2025.

¹⁰ APRA Comprehensive Product Performance Package as at 30 June 2025.

¹¹ If a product has a performance history of less than six years, the product has met the requirements of the performance test, unless APRA issues a determination under regulation 9AB.10(4) to calculate a performance measure for the product.

If you have printed this document and wish to access the hyperlinked HESTA information referenced within, you can access it online at hesta.com.au/moa.