



Super
with
impact



Member outcomes assessment

Financial year ending 30 June 2023

The information in this document relates to:

- **HESTA Super**
- **HESTA Personal Super**
- **HESTA Corporate Super**
- **HESTA for Mercy 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 either *HESTA for Mercy MySuper* (for the HESTA for Mercy product), or *HESTA MySuper* (for all other products).

All other members of the products are members of *HESTA Choice – Accumulation* for the purpose of this assessment.

How we assessed ourselves and how we compare

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

We do this by comparing our products against other comparable products (comparison factors), assessing the features of our products (assessment factors), and giving consideration to the most recent results from the Australian Prudential Regulation Authority's (APRA) Annual Superannuation performance test.

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

Comparison factors

How we compare

The tables below detail how we compare to the industry over 1, 3, 5 and 10 year average annualised returns.

Source: SuperRatings Fund Crediting Rating Survey, as at 30 June 2023 – comparing HESTA with most products in the market (excluding employer plans). Data that is not available or where there is no comparable data is referenced with n/a.

HESTA MySuper and HESTA for Mercy MySuper Investment Results¹

Balanced Growth (MySuper)

1 year return

9.59%

3 year returns

8.61%

5 year returns

6.56%

10 year returns

8.02%

Relative to median of comparable products

Better

HESTA Choice – Accumulation products Investment Results

The table below details how we compare to the industry, as per SuperRatings data, over 1, 3, 5 and 10 year average annualised returns.

HESTA's Investment option	1 year return		3 year returns		5 year returns		10 year returns	
	HESTA (%)	Relative to median of comparable products	HESTA (%)	Relative to median of comparable products	HESTA (%)	Relative to median of comparable products	HESTA (%)	Relative to median of comparable products
Balanced Growth	9.59	Better	8.61	Better	6.56	Better	8.02	Better
Conservative	5.74	Better	4.27	Better	4.28	Better	5.45	Better
Indexed Balanced Growth	12.47	Better	n/a	No return or no benchmark	n/a	No return or no benchmark	n/a	No return or no benchmark
Sustainable Growth	9.94	Better	7.62	Better	7.28	Better	9.28	Better
High Growth	12.58	Better	11.27	Better	8.3	Better	9.46	Better
Cash and Term Deposits	2.56	Lower	0.97	Lower	1.15	Lower	1.65	Better
Diversified Bonds	0.44	Lower	-2.31	Lower	0.47	Better	2.25	Better
Property and Infrastructure	3.74	No benchmark	8.47	No benchmark	5.38	No benchmark	7.63	No benchmark
International Shares	17.96	Better	10.65	Lower	8.13	Lower	10.19	Lower
Australian Shares	14.7	Better	11.93	Better	7.55	Better	8.82	Better

¹ Returns (after fees and costs) are calculated on the annualised investment return (after tax and investment fees) over the specified period to 30 June 2023. Excludes insurance fees (for the avoidance of doubt).

Past performance is not a reliable indicator of future performance.

Key results:²

HESTA MySuper and HESTA for Mercy MySuper

MySuper (Balanced Growth) ranks in the best quartile for net returns across the 1, 3 and 5 year periods, and above the median for the 1, 3, 5 and 10 year periods.

Investment Risk

→ Our investment risk rating for HESTA MySuper and HESTA for Mercy MySuper is in line with other MySuper options with a similar growth / defensive asset split and remains appropriate for MySuper members.

HESTA Choice - Accumulation

Returns (after fees and costs) for all options except for Cash and Term Deposits, Diversified Bonds and International Shares investment choices ranked above the median.

Investment Risk

→ Our investment risk ratings for options within HESTA Choice (Accumulation) are in line with comparable products and remain appropriate.

² Past performance is not a reliable indicator of future performance.

Fees and costs

The table below details how we compare to similar products. As per Chant West data - fees for a member with a \$50,000 account balance are below most comparable products with a comparable risk profile for most of our investment options.

Source: Chant West Member Outcomes Dashboard - comparing HESTA with most MySuper and Choice products in the market (excluding any employer plans).

HESTA MySuper and HESTA for Mercy MySuper

Period to 30 June 2023

Balanced Growth (MySuper)

Amount

\$477

Relative to median of comparable products

Better

HESTA Choice - Accumulation products

HESTA's Investment option	Period to 30 June 2023	
	HESTA Fees (\$)	Relative to median of comparable products
Balanced Growth	477	Above
Conservative	357	Better
Indexed Balanced Growth	172	Better
Sustainable Growth	642	Above
High Growth	557	Above
Cash and Term Deposits	152	Better
Diversified Bonds	287	Better
Property and Infrastructure	607	Above
International Shares	352	Better
Australian Shares	247	Better

Source: Chant West Member Outcomes Dashboard - comparing HESTA with most products in the market (excluding any employer plans).

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.

In reaching this finding, we considered the availability of services and member usage as compared to other funds. Chant West data showed that HESTA's options, benefits, and facilities were well utilised by members, and the services available were similar to those offered by our peers. We also considered the fees and costs are appropriate, compare favourably to peers and come in below the median for the provision of services, benefits, and facilities.

Investment strategy

HESTA MySuper is a ready-made investment option which is diversified and designed to meet the needs of members who don't exercise choice in their investment option. It invests in a wide range of asset classes consisting of shares, debt and infrastructure, with some property, private equity, alternatives and cash investments.

HESTA Choice - Accumulation investment options comprise ready-made, diversified investment options, and for HESTA Your Choice (for specific asset class/classes) and are designed to meet the needs of members who want access to a range of investment option choices with different risk/return outcomes.

HESTA has an investment strategy for the whole of the fund and for each investment option, including our MySuper product. We have reviewed our Investment Strategy for each option to ensure objectives, risk levels and long term strategic asset allocation targets and ranges remain appropriate.

Insurance strategy and fees

Our analysis found that for members in our accumulation products, our insurance strategy remains appropriate and insurance fees do not inappropriately erode retirement incomes.

Our insurance benefit design carefully considers our members' demographics and needs.

Most HESTA insured members hold default cover (across HESTA, HESTA Personal and HESTA Corporate Super). Our default cover design is intended to provide members with a minimum level of cover. HESTA considers the level of insurance fees to assist in the protection of the lower account balances of our member demographic.

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

Scale and size of business operations

HESTA has 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 market HESTA performs better than the benchmark in most metrics that we assessed, including:

- operating expense per member of \$169 is lower than the median of \$266
- membership growth of 4.7% is above the median of 0%
- net benefit to HESTA MySuper members demonstrates outperformance over the median recorded over 1 and 5 years
 - 1 year: \$4,909 (Median: \$4,821)
 - 5 years: \$22,110 (Median: \$18,724)

As HESTA continues to grow, investment fees are expected to naturally decline through scale benefits. This also enables our investment team to leverage our size and reputation in negotiating fees with external fund managers.

With over one million members and \$76 billion in assets³, we can use our scale and size to deliver value to all our members.

Basis for setting fees

All fees charged to HESTA member accounts consider principles of cost recovery in setting the amount to reflect HESTA's position as a not-for-profit fund. Our analysis found that HESTA's fees and costs, and the basis for the setting of fees 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 to respond to any initiatives that arise that will benefit members of the fund (and in accordance with reserving policies).

APRA performance assessment

Our HESTA MySuper product passed the APRA annual performance test with a score of 0.18%. Our HESTA for Mercy product passed the APRA annual performance test with a score of 0.53%. The benchmark for a pass result was -0.50%.

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

HESTA's Investment option	Metric (%)	Result
Conservative	0.73	Pass
Diversified Bonds	0.28	Pass
High Growth	0.61	Pass
Indexed Balanced Growth ⁴	n/a	Pass
Property and Infrastructure	0.97	Pass
Sustainable Growth	1.81	Pass

The Cash and Term Deposits, Diversified Bonds, Property and Infrastructure, International Shares and Australian Shares investment options are not subject to the APRA annual performance test.

³ Represents membership and FUM at 1 July 2023.

⁴ 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.

HESTA MySuper and HESTA for Mercy MySuper – list of comparison investment options

Chant West comparison investment options

Active Balanced	Plum MySuper Under Age 55
AMP MySuper 1960s	Prime MySuper
ANZ Smart Choice 1960s	PSSap MySuper Balanced
ANZ Staff Balanced Growth	Qantas Super Glidepath Altitude
Aust Catholic LifetimeGrow	REI Super Balanced
Aust Ethical Balanced (MySuper)	Rest Core Strategy
ART - QSuper - Lifetime Aspire Group 2	Russell GoalTracker Age 61 And Over
ART - Super Savings - Lifecycle Balanced	Spirit Balanced
AustralianSuper Balanced	Suncorp Lifestage (1965 - 1969)
AvSuper Growth	Suncorp Everyday Lifestage 1965-69
Aware Super Growth	TelstraSuper MySuper Balanced
Bendigo Growth Index	TWUSUPER Balanced (MySuper)
Brighter Super MySuper	UniSuper Balanced
BUSSQ Balanced Growth	Vanguard Super SaveSmart Lifecycle Age 55
CareSuper Balanced	VicSuper Balanced
Catholic Super Balanced Growth	Virgin Money LifeStage Born 1959-1963
Cbus Growth (MySuper)	Vision Balanced Growth
FirstChoice Lifestage (1965-1969)	
Child Care Consolidating Lifestage	
Christian Super MyEthicalSuper	
Group Super Balanced	
EISS MySuper Balanced	
Equip MySuper	
Guild Consolidating Lifestage	
HESTA Balanced Growth	
Hostplus Balanced	
IOOF Balanced Investor Trust	
Maritime Super Balanced	
MIESF MySuper	
Mercer SmartPath 1964-1968	
MLC MySuper Under Age 55	
Nationwide GoalTracker Age 61 And Over	
NESS MySuper	
NGSS Diversified	

HESTA MySuper and HESTA for Mercy MySuper – list of comparison investment options

SuperRatings comparison investment options

Acclaim Core Super - AMG MySuper	Prime Super - MySuper
Active Super MySuper Lifestage - Accumulator	Qantas Super MySuper - Glidepath Altitude
ADF Super MySuper - MySuper Balanced	REI MySuper - Balanced
AMIST - MySuper	Rest MySuper - Core Strategy
AMP SignatureSuper - MySuper 1960s	smartMonday Lifecycle - MySuper 55
ANZ Smart Choice Super - MySuper 1960's	Spirit Super - Balanced (MySuper)
ANZ Staff MySuper - Balanced Growth	TelstraSuper - MySuper Balanced
Aust Ethical MySuper - Balanced	TWUSUPER MySuper - Balanced (MySuper)
Australian Retirement Trust - QSuper Lifetime - Lifetime Outlook	UniSuper Accum - MySuper Balanced
Australian Retirement Trust - Super Savings MySuper - Lifecycle Balanced Pool	Virgin Money Super - LifeStage Tracker Born 1959 - 1963
AustralianSuper - MySuper Balanced	Vision Super - MySuper Balanced Growth
Bendigo MySuper - Balanced Index Fund	
Brighter Super - MySuper	
BUSSQ MySuper - Balanced Growth	
CareSuper - MySuper Balanced	
Catholic Super - Balanced Growth (MySuper)	
Cbus - Growth (MySuper)	
CFS FC MySuper - Lifestage 1965-69	
Commonwealth Bank Group Super MySuper - Balanced	
Commonwealth Essential Super MySuper - Lifestage 1965-69	
CSC PSSap - MySuper Balanced	
Equip - MySuper	
First Super MySuper - Balanced	
GuildSuper MySuper - Consolidating Lifestage	
HESTA MySuper - Balanced Growth	
Hostplus MySuper - Balanced	
IOOF MySuper - IOOF Balanced Investor Trust	
legalsuper - MySuper Balanced	
Mercer SmartPath - MySuper Born 1954 - 1958	
Mercer SmartPath - MySuper Born 1959 - 1963	
National Australia Bank Group Superannuation Fund A MySuper - NAB Staff MySuper	
NESS MySuper - NESS MySuper	
NGS Super - Diversified (MySuper)	

HESTA Choice – Accumulation list of comparison products

Chant West comparison products

Active Super Accumulation Scheme	BUSSQ Premium Choice
Alcoa Retirement Plan	CareSuper
AMIST	Catholic Super
AMP SignatureSuper - Custom Protection	CBUS
AMP SignatureSuper - Employee Essential Protection	CBUS Corporate - High Risk Employer Rating
AMP SignatureSuper - Employee Flexible Protection	CBUS Corporate - Low Risk Employer Rating
AMP SignatureSuper - Essential Protection	CBUS Corporate - Medium Risk Employer Rating
AMP SignatureSuper - Lifetime Protection	CBUS Electech
AMP SignatureSuper - Signature Protection	CBUS Sole Traders
AMP SignatureSuper - Super Protection	CFS FirstChoice Employer
AMP SignatureSuper - SuperLeader Protection	CFS FirstChoice Wholesale Personal Super
AMP SignatureSuper Personal Super - Signature Protection	Child Care Super
ANZ Smart Choice	Christian Super
ANZ Smart Choice - Employer	ClearView WealthFoundations
ANZ Staff Super Personal Section	Commonwealth Bank Group Super
ANZ Staff Super Scheme	Commonwealth Essential Super
Asgard Super Account Managed Profiles	Crescent Wealth Super
Asgard Super Account SMA	EISS Super (NSW)
Australian Catholic Super & Ret Fund	Equip Corporate Rio Tinto
Australian Ethical Super	Equip MyFuture
Australian Retirement Trust - QSuper - Accumulation	ESSSuper Accumulation Fund
Australian Retirement Trust - Super Savings - Accumulation	First Super
Australian Retirement Trust - Super Savings - Business	GuildSuper
AustralianSuper	HESTA
AustralianSuper Select	HESTA for Mercy Super
AvSuper	Hostplus
Aware Super (ex First State Super)	Hostplus Executive
Aware Super Personal Retirement Plan (ex Stateplus)	ING Living Super
Aware Super Tailored Super Plan (ex Stateplus)	IOOF Employer Super
Bendigo SmartStart Super Personal	IOOF Personal Super
Brighter Super - Casuals	legalsuper
Brighter Super Accumulation	legalsuper Personal
BT Super	Maritime Accumulation Basic
BT Super For Life	Maritime Accumulation Plus
BUSSQ MySuper	Maritime Contributory Accum

HESTA Choice – Accumulation list of comparison products

Chant West comparison products (continued)

Maritime Super Accumulation Advantage	UniSuper Accum 2
Meat Industry Super	UniSuper Personal Account
Media Super	Vanguard Super SaveSmart
Mercer SmartSuper - Individual	VicSuper FutureSaver
Mercer Super Trust - Corporate	Virgin Money Super
Mine Super	Vision Super Personal
MLC MasterKey Business	Vision Super Saver
MLC MasterKey Fundamentals	Zurich Super Plan
MLC MasterKey Personal Super	
Nationwide Super	
NESS Super	
NGS Super	
Perpetual Select	
Perpetual Select Employer	
Perpetual WealthFocus	
Plum	
Plum Super Personal	
Prime Super	
PSS Accum. Plan	
Qantas Super Gateway	
REI Super	
Rest Corporate	
Rest Super	
Russell iQ Super - For Life	
Spirit Super (Default A)	
Spirit Super (Default B)	
Suncorp Brighter Super for business	
Suncorp Brighter Super personal	
Suncorp Everyday Super	
TelstraSuper Casuals	
TelstraSuper Corporate Plus	
TelstraSuper Personal Plus	
TWUSUPER	
UniSuper Accum 1	

HESTA Choice – Accumulation list of comparison products

SuperRatings comparison products

Active Super Accumulation Scheme	Commonwealth Essential Super
Alcoa Retirement Plan	Crescent Wealth Super
AMP SignatureSuper - Signature Assoc. & Personal Protection	Equip Corporate Rio Tinto
AMP SignatureSuper - Signature Protection (Res Life)	Equip MyFuture
ANZ Smart Choice	ESSSuper Accumulation Fund
ANZ Smart Choice - Employer	First Super
ANZ Staff Super Personal Section	Future Super
ANZ Staff Super Scheme	GuildSuper
Australian Ethical Super	HESTA
Australian Food Super	HESTA for Mercy Super
Australian Retirement Trust - QSuper - Accumulation	Hostplus
Australian Retirement Trust - Super Savings - Accumulation	Hostplus Executive
Australian Retirement Trust - Super Savings - Business	ING Living Super
AustralianSuper	IOOF Employer Super
AustralianSuper Select	legalsuper
AvSuper	legalsuper Personal
Aware Super Future Saver	Meat Industry Super
Bendigo SmartStart Super Personal	Media Super
Brighter Super - Casuals	Mercer Business Super
Brighter Super Accumulation	Mercer SmartSuper
BUSSQ MySuper	Mercer SmartSuper Plan - Employer Default
BUSSQ Premium Choice	Mercer SmartSuper Plan - Individual Section
CareSuper	Mine Super
Catholic Super	MLC MasterKey Business
CBUS	MLC MasterKey Fundamentals
CBUS Corporate - High Risk Employer Rating	MLC MasterKey Personal Super
CBUS Corporate - Low Risk Employer Rating	Nationwide Super
CBUS Corporate - Medium Risk Employer Rating	NESS Super
CBUS Electech	NGS Super
CBUS Sole Traders	Perpetual Select
CFS FirstChoice Employer	Perpetual Select Employer
CFS FirstChoice Wholesale Personal Super	Perpetual WealthFocus
Child Care Super	Plum Super Personal
ClearView WealthFoundations	Prime Super
Commonwealth Bank Group Super	PSS Accum. Plan

HESTA Choice – Accumulation list of comparison products

SuperRatings comparison products (continued)

Qantas Super Gateway
REI Super
Rest Corporate
Rest Super
Russell iQ Super - For Life
smartMonday DIRECT
smartMonday PRIME
Spirit Super (Default A)
Spirit Super (Default B)
TelstraSuper Casuals
TelstraSuper Corporate Plus
TelstraSuper Personal Plus
TWUSUPER
UniSuper Accum 1
UniSuper Accum 2
UniSuper Personal Account
Vanguard Super SaveSmart
Virgin Money Super
Vision Super Personal
Vision Super Saver
Zurich Super Plan

Source: SuperRatings Fund Crediting Rate Survey (FCRS).

contact us

HESTA hesta@hesta.com.au | 1800 813 327 | Locked Bag 5136, Parramatta NSW 2124 | hesta.com.au

HESTA for Mercy information@hestaformercy.com.au | 1300 368 891 | PO Box 8334, Woolloongabba QLD 4102 | hestaformercy.com.au

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