



Member outcomes assessment

Financial year ended 30 June 2025

The information in this document relates to:

- **HESTA Retirement Income Stream**
- **HESTA Transition to Retirement Income Stream**
- **HESTA Term Allocated Pension (TAP)**

Members of HESTA Income Stream who have reached preservation age but have not met a relevant condition of release are members of *HESTA Transition to Retirement Income Stream*. All other members are members of *HESTA Retirement Income Stream* or *TAP* for the purposes 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 income stream 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, and fees and costs (comparison factors).

We also assess the appropriateness of our investment strategy, basis for setting fees, features of our products and member services (assessment factors).

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 SuperRatings' Fund Crediting Rate Survey 2025, Chant West Member Outcome Dashboard June 2025.

Comparison factors

Investment returns - HESTA Retirement Income Stream/ HESTA Term Allocated Pension

Source: SuperRatings Fund Crediting Rate Survey June 2025. Returns are net of investment fees and costs and transaction costs. Past performance is not a reliable indicator of future performance.

HESTA Balanced Growth

Period from 1 July 2024 to 30 June 2025

1-year return	3-year returns*	5-year returns*	10-year returns*
11.81%	11.25%	9.61%	8.42%

* Average return p.a. over this period

Relative to median of comparable products

Better

HESTA Retirement Income Stream/HESTA Term Allocated Pension

The following table shows the performance of the different HESTA Retirement Income Stream/TAP 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 when compared to other investment options with a similar investment strategy.

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	11.81	Better	11.25	Better	9.61	Better	8.42	Better
Conservative	8.45	Better	6.96	Better	5.62	Better	5.73	Better
Indexed Balanced Growth	13.66	Better	13.59	Better	N/A	No return	N/A	No return
Sustainable Growth	12.32	Better	10.35	Lower	9.03	Lower	9.23	Better
High Growth	13.37	Better	13.85	Better	12.10	Better	9.85	Better
Cash and Term Deposits	4.76	Better	4.16	Better	2.57	Better	2.25	At the median
Diversified Bonds	6.37	Lower	3.49	Lower	N/A	No return	N/A	No return
Property and Infrastructure ²	6.94	No benchmark	3.32	No benchmark	6.64	No benchmark	7.00	No benchmark
International Shares	18.90	Better	18.93	Better	14.21	Better	10.87	Lower
Australian Shares	13.28	Lower	14.23	Better	13.09	Better	9.71	Lower

Source: SuperRatings Fund Crediting Rate Survey June 2025. Median is based on the following Indexes: SRP50 Balanced (60-76) Index (Balanced Growth), SRP50 Capital Stable (20-40) Index (Conservative), Balanced (60-76) Index (Indexed Balanced Growth and Sustainable Growth), SRP50 Growth (77-90) Index (High Growth), SRP50 Cash Index (Cash and Term Deposits), SRP25 Diversified Fixed Interest Index (Diversified Bonds), SRP50 International Shares Index (International Shares), SRP50 Australian Shares Index (Australian Shares). Returns are net of investment fees and costs and transaction costs. Past performance is not a reliable indicator of future performance.

² The Property and Infrastructure option consists largely of private market assets and does not have a comparable peer group.

HESTA Ready-Made Strategy 10-year returns* to 30 June 2025

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

→ The Ready-Made Strategy combines the Balanced Growth and Conservative investment options, to create an investment strategy designed to reduce investment risk over time.

Source: SuperRatings Fund Crediting Rate Survey June 2025. Medians are based on the following Indexes: SuperRatings SRP50 Balanced (60-76) Index (Balanced Growth), SRP50 Capital Stable (20-40) Index (Conservative).

* Average returns are p.a. for the period



HESTA Transition to Retirement Income Stream Investment results

The HESTA Transition to Retirement (TTR) Income Stream investment returns are consistent with Accumulation returns. See the **Member Outcomes Assessment for our Accumulation products** for the 2024-25 financial year for more information.



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.*

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

- The HESTA Retirement Income Stream/TAP and HESTA Transition to Retirement Income Stream investment risk ratings for each option are in line with comparable products and remain appropriate.
- The HESTA TTR Income Stream investment SRMs are consistent with Accumulation. See the **Member Outcomes Assessment for our Accumulation products** for the 2024-25 financial year for more information.

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

HESTA Retirement Income Stream/TAP

HESTA investment option	HESTA SRM Rating	Comparable options SRM Rating ³
Balanced Growth	High	Medium-High to High
Conservative	Medium	Low-Medium to Medium-High
Indexed Balanced Growth	High	Medium to High
Sustainable Growth	High	Medium to 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 ⁴	Medium-High	N/A
International Shares	High	High to Very High
Australian Shares	Very High	High to Very High

³ SuperRatings Standard Risk measure survey as at 30 June 2025

⁴ 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 in this section include administration fees and costs as well as investment fees and costs (including transaction costs and performance fees).

- The Ready-Made Strategy combines the Balanced Growth and Conservative investment options. Below shows the respective fees and cost results.
- Total fees and costs over the last year for a representative member with a balance of \$50,000 in our Balanced Growth option were below the median fee when compared with other options.
- The Fee and cost assessments shown are for HESTA Retirement Income Stream only and do not include TTR as industry comparisons for TTR products on a total fee and cost basis are not readily available.

HESTA Ready-Made Strategy

Period from 1 July 2024 to 30 June 2025

HESTA Balanced Growth



HESTA fees
\$448

Relative to median of comparable products

Below

(our fees and costs were lower than the median)

HESTA Conservative



HESTA fees
\$403

Relative to median of comparable products

Above

(our fees and costs were slightly higher 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 SRP50 Balanced (60-76) Index and SRP50 Capital Stable (20-40) Index (Conservative). The fees and costs are based on a member with a \$50,000 account balance. Other fees and costs may apply. See the Product Disclosure Statement for full details.

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

HESTA Retirement Income Stream/HESTA Term Allocated Pension

Fees and costs over the last year for a member with a balance of \$50,000 in our investment options were at or below the median fee for most options when compared to other options with similar investment strategies.

HESTA investment option	Period from 1 July 2024 to 30 June 2025		
	HESTA Fees (\$)	Median (\$)	Relative to median of comparable products
Balanced Growth	448.00	455.00	Below
Conservative	403.00	401.90	Above
Indexed Balanced Growth	258.00	428.00	Below
Sustainable Growth	593.00	428.00	Above
High Growth	463.00	463.00	At the median
Cash and Term Deposits	233.00	194.00	Above
Diversified Bonds	378.00	287.00	Above
Property and Infrastructure ⁵	673.00	N/A	N/A
International Shares	363.00	377.50	Below
Australian Shares	328.00	381.00	Below

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: SRP50 Balanced (60-76) Index (Balanced Growth), SRP50 Capital Stable (20-40) Index (Conservative), Balanced (60-76) Index (Indexed Balanced Growth and Sustainable Growth), SRP50 Growth (77-90) Index (High Growth), SRP50 Cash Index (Cash and Term Deposits), SRP25 Diversified Fixed Interest Index (Diversified Bonds), SRP50 International Shares Index (International Shares), SRP50 Australian Shares Index (Australian Shares). The fees and costs are based on a representative member with a \$50,000 account balance.

Other fees and costs may apply. See the Product Disclosure Statement for full details.

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

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 data⁶ 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 Choice – Income Stream and Income Stream (Transition to Retirement) investment options comprise Ready-Made, diversified investment options designed 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. HESTA Your Choice options (specific asset class/ classes) are designed to meet the needs of members who want access to a range of investment option choices 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. 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.

⁶ Chant West Member Outcome Dashboard June 2025 – comparing HESTA with most Income Stream products in the market.

⁷ Represents membership and funds under management as at 30 June 2025.

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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 market⁴ 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%.

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 assets⁷, 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 setting 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 to respond to any initiatives that aims to benefit members of the fund (and in accordance with reserving policies).

Retirement Income Strategy

The Retirement Income Covenant requires HESTA to develop a Retirement Income Strategy for members who are retired or approaching retirement.

HESTA has a Retirement Income Strategy in place to help our members maximise and manage the expected risks to the sustainability and suitability of their expected retirement income, and to allow flexible access to their capital.

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.