

# Annual Report

FY2023-24

| HESTA |



Super with impact



# About this report

We use the International Integrated Reporting <IR> Framework as a guide to producing our Annual Report, to help the HESTA community see how we're performing against that aim.

'Value' in the Framework is defined as a set of 'capitals' that increase, decrease or transform through the activities and outputs of an organisation. These include financial, intellectual, natural, human, and social and relationship capitals.

Because sustainability is essential to creating long-term value for our members, HESTA shares the global ambitions for the advancement of the 17 United Nations Sustainable Development Goals (SDGs).

Throughout this report we reference the SDGs and specifically, the eight SDGs we believe will have a positive impact for our members in Australia.

We also discuss risks, opportunities and outcomes of our partners and the companies we invest in, where they are relevant to members' long-term financial outcomes.

This report covers the operations of HESTA from 1 July 2023 to 30 June 2024.



**The world is changing, and so are our members. And we remain clear on how we create value for them.**

## Our purpose (why we exist)

**At HESTA, we invest in and for people who make our world better.**

Super with impact™ is the positive outcome we create by supporting our members to face the future with confidence, being a gutsy advocate for a fair and healthy community, and delivering investment excellence with impact\*.

<IR> capital	Our purpose	What this looks like at HESTA
<b>Financial</b>  <b>Human</b>  <b>Natural</b>	Facing the future with confidence	We use our deep understanding of our members to design information, tools and support to make a meaningful impact on their confidence about the future.
	Investment excellence with impact	We use our expertise and influence to deliver strong long-term returns while accelerating our contribution to a more sustainable world.
<b>Intellectual</b>  <b>Social and relationship</b>	Gutsy advocate for a fair and healthy community	We use our collective voice to help address inequities impacting our members and those we see falling behind.

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All investment performance data in this report is net of investment fees and costs, transaction costs and taxes as at 30 June 2024. Past performance is not a reliable indicator of future performance.

^ Find out more about Super with impact at [hesta.com.au/impact](https://hesta.com.au/impact)

# FY2023-24 performance snapshot

**1,050,000+**

Members

**\$84b**

Funds under management

**135,000+**

Employers

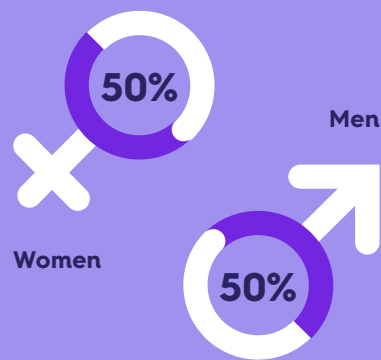


**\$79,900**

Average account balance



Executive leadership



**78%**

Members are women



**9.10%**

Balanced Growth annual return to 30 June 2024\*

**7.9**

Overall satisfaction: member\*\*

**Top quartile employee engagement for FY24<sup>^</sup>**

**68,500+**

Members used Future Planner in FY24

**70.4**

NPS for member who received advice\*\*\*



**HESTA**



Industry award wins\*\*\*\*



\* Annualised return for the period for Balanced Growth (MySuper) to 30 June 2024. Commenced 1 August 1987. Past performance is not a reliable indicator of future performance. The value of your investment may rise or fall. The return shown is net of investment fees and costs, transaction costs and taxes as at 30 June 2024.

\*\* Brand & Member Experience Tracker FY24.

\*\*\* HESTA's Voice of Customer tracker.

\*\*\*\* Product ratings and awards are only one factor to be considered when making a decision. See [hesta.com.au/ratings](https://hesta.com.au/ratings) for more information. The rating is issued by SuperRatings Pty Ltd ABN 95 100 192 283 (SuperRatings) a Corporate Authorised Representative (CAR No.1309956) of Lonsec Research Pty Ltd ABN 11 151 658 561, AFSL No. 421445. Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and SuperRatings assumes no obligation to update. SuperRatings use proprietary criteria to determine awards and ratings and may receive a fee for the use of its ratings and awards. Visit [superratings.com.au](https://superratings.com.au) for ratings information. © 2024 SuperRatings. All rights reserved.

<sup>^</sup> Qualtrics Australia National Norm.



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HESTA acknowledges the Traditional Owners of Country throughout Australia and recognises the continuing connection to lands, waters and communities. We pay our respects to Aboriginal and Torres Strait Islander cultures, and to Elders past and present.



# Who we are

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# Welcome

## HESTA invests in and for more than 1.05 million Australians who make our world better.

Investing in a sustainable future and making strong financial returns are not mutually exclusive at HESTA – there doesn't have to be a trade off! We call this Super with impact™, and our long-term results are helping our members feel more confident about achieving the financial security in retirement they want and deserve.



## Investment returns

**FY24 was marked by resilient financial markets despite a challenging global economic environment and continued high interest rates and inflation.**

Many of our members have felt the weight of higher mortgage repayments and rent, as well as increases in energy and food bills over the past year. In the face of these continuing cost-of-living pressures, HESTA is proud to have delivered positive news, in the form of strong returns.

HESTA's MySuper Balanced Growth option delivered 9.10% in the financial year to 30 June. Over the past decade<sup>1</sup> MySuper Balanced Growth averaged an annual return of 7.62% per p.a., ranking it in SuperRatings top 10 peer funds over 3, 5 and 10 years. Since inception in 1987, HESTA's MySuper Balanced Growth has had an average return of 8.53% per p.a. – helping our long-term members plan more confidently for their retirement goals.

HESTA members in retirement also enjoyed strong results in FY24, with the Income Stream Balanced Growth option returning 10.16% for the financial year to 30 June and an annualised return of 8.13% p.a. over the past 10 years. The Income Stream Conservative option delivered 6.03% for the year. Both options have outperformed their median peers over 3, 5 and 10 years.

Our measure of retirement readiness\* (the proportion of members on track for financial preparedness at retirement) shows that an extra 196,500 HESTA members were retirement ready as at 30 June 2024 compared to when this was first measured in December 2016.

<sup>1</sup> 1 July 2014 to 30 June 2024.

\* As defined by **ASFA Retirement Standard**.

## Facing the future with confidence

We know financial confidence is key to members making informed decisions about their retirement savings so we created an enhanced digital experience, HESTA's new app, which has seen almost 100,000 member downloads in FY24. The app allows members to check their balance, see when their super is paid and view investment options, among a raft of options to improve their financial confidence.

Additionally, our online Future Planner tool has been used by more than 200,000 members – 68,500 alone this financial year – and allows them to project their retirement savings and explore options to grow their super.

We have also optimised our face-to-face engagement with retiring members, with more than 48,000 members in FY24 either attending a workplace education session or receiving one-on-one advice from our team.

## Gutsy advocate for a fair and healthy community

As a specialist fund for health and community services workers, HESTA understands the issues that affect our members' financial security, and we use our voice on their behalf to help instigate change.

After 13 years of continuous advocacy, super on the Commonwealth Paid Parental Leave scheme was enshrined into legislation earlier this year. From July 2025, Australian mums and dads will no longer miss out on these crucial additions to their super and the compounding of returns over decades on those contributions.

Additionally, HESTA is committed to investing in projects that can contribute in aiming to deliver strong long-term returns for members and have a positive impact on the communities they live and work in. We know that housing affordability is a key factor in financial security in retirement. HESTA has invested in affordable home projects since 2019, and last year we made a further \$240 million commitment through our partnership in Super Housing Partnerships. The first of these five large-scale builds - a 362 apartment complex encompassing affordable, social, market-rate and specialist disability housing - commenced earlier this year.

## Investment excellence with impact

Our approach to responsible investment and active ownership led to HESTA being named a Responsible Super Fund Leader in 2023 by the Responsible Investment Association Australasia (RIAA), one of only 10 Australian super funds to be recognised as a leader.

HESTA also received five stars from the UN backed 'Principles for Responsible Investment' (PRI) in its annual assessment of our responsible investment activities. We received an average score of 95% across a range of indicators such as policy, governance and strategy, disclosure and manager selection, appointment and monitoring in 2023's survey.

These external acknowledgements reflect HESTA's expertise to deliver strong long-term returns while accelerating our contribution to a more sustainable world.

## Thank you

Finally, to our employees, business partners and Directors - thank you for your commitment, skill and experience in delivering such impactful FY24 results. And most importantly, to our members, whose financial security in retirement remains our prime focus. Thank you for your trust as we continue to deliver Super with impact™.

**Debby Blakey**  
Chief Executive Officer

**Hon. Nicola Roxon**  
Chair

## Our values



### We are people of purpose

we believe we  
can make a difference



### We step up and do the work

we are accountable  
and responsible



### Difference is valued

everyone here  
feels safe and seen



### Together is better

success is always  
achieved as a team

# Our context



**We invest in and for people who make our world better. We tell the story of our purpose through Super with impact™: the positive outcome we create by supporting our members to face the future with confidence, being a gutsy advocate for a fair and healthy community, and delivering investment excellence with impact.**



# Our stakeholders

**Our members are at the centre of everything we do. And because approximately 80% of them are women, we have a special focus on issues that affect them.**

## Economic environment

FY24 revealed resilient financial markets despite the challenging global economic and geopolitical environment.

Moderating inflation in some countries saw interest rate hikes pause at 10-year highs, helping defensive asset yields. However, recession concerns still loom in the United States, with upcoming elections in November, and in Australia given inflation data released in May.

Listed share markets drove returns over the year, with many regions delivering double-digit performance. US technology-related companies rallied particularly strongly - with the NASDAQ achieving a 29.6% return for the year, as markets increasingly priced in potential artificial intelligence productivity gains.

## Strategic environment

How we support our members to prepare for, enter and enjoy their retirement has continued to be the leading strategic focus area for HESTA in the 2024 financial year.

Our internal HESTA Retirement Working Group focused exclusively on how we continue to improve our members' retirement experience, with a particular emphasis on our ongoing work to address gender inequalities arising from systemic and cultural factors. This has included initiatives like improving how investments return value through our ready-made strategy in HESTA Income stream and new features developed for our online Future Planner tool available through members' online HESTA account.

The cost-of-living continues to spiral and the health and community services sector faces ongoing workforce demand and challenges. As a specialist fund for this sector, HESTA remains steadfast in our commitment to support our members – the broader health and community services sector and those who, like them, make our world better – with our products and services delivering an experience designed to meet their needs better than ever before.

## Policy and regulatory environment

The policy and regulatory landscape is continuing to change at a rapid pace, with fund performance and member outcomes at the forefront.

Following over a decade of advocacy by HESTA and others, we were pleased to see funding committed in the May 2024 Federal Budget to pay super on the Commonwealth Paid Parental Leave scheme for parents of babies born or adopted on or after 1 July 2025.

Payday super is proposed to shift superannuation guarantee (SG) payment cycles from a minimum of quarterly to align with pay cycles by 1 July 2026. This measure is subject to the passage of legislation. HESTA continued to engage with government on the Objectives of Super as legislation was introduced to parliament in late 2023.

On the regulatory front, APRA, ASIC and the ATO are aligned in their focus on cyber resilience, both within their organisations but more so to ensure consumers and organisations have the right protections to combat this ever-growing risk. Together with AUSTRAC they are also focused on the impact of fraud and scams, and the ongoing need to remind individuals to be vigilant in protecting personal data.

# Our value creation story

**Starts and ends with members; member contributions make HESTA possible, and member outcomes are our constant focus.**

## Who we are and how we work...

## What we do...

### Our people and culture

We attract and keep the best people.  
We up-skill and engage them.  
We live our values and fulfil our purpose.

### Our governance, risk and compliance

We use a representative Trustee model.  
We embed a focus on financial sustainability.

### Our business partners

We select and work with our partners to build value for members.

### Our research and insights

Our deep understanding of our members enables us to deliver increasingly personalised support for them.

### Our scale

The size of our membership and our Fund gives us both influence and responsibility.

### We invest responsibly

We believe it's possible to achieve strong long-term investment returns and integrate environmental, social and governance considerations in our investment decision making.

### We understand our members

We ask our members what they need.  
We invest in technology that makes things easier. We design products and services that connect members to their super.

### We stand up for what's right

We advocate for systems and structures that facilitate the fair and equitable participation of women in the economy, to help our members achieve a better retirement.

### We partner with purpose

We choose to work with like-minded partners to help improve our members' financial outcomes and support the industry they work in.

## What we strive to deliver...

## The value we help create



A model of strong, long-term financial growth.

Strong long-term financial returns in line with members' best financial interests.



Meaningful, lasting change in opinion, policy and culture.



Positive financial and legislative outcomes for our members.



Superannuation services, help and advice for people who work in health and community services.

Strong partnerships aligned with our values and our members' best financial interests.



Highly skilled and engaged employees who strive to deliver for our members.

Financial confidence

Advocating for change

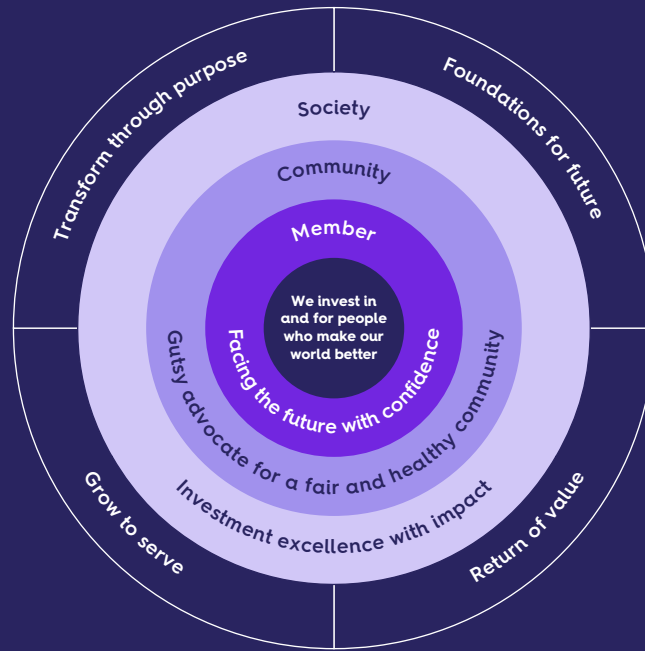
Investment excellence with impact



**We're an industry super fund.  
We work only to benefit our members.**

Find out more at  
[hesta.com.au/impact](https://hesta.com.au/impact)

# 4-year strategy 2022-25



The HESTA strategy is built on five key elements:

Our purpose, purpose pillars and values, member outcomes, goals and initiatives. Together, these tell the story of who we are, what we do and how we do it.

Further to initiatives completed across years 1 to 3 of our strategy, FY24 key strategic initiatives were:

- Inspire a values-driven high performance and accountable culture and build our capability
- Optimise and future-proof integrated sourcing strategy and build internal capabilities where required
- Enable sustained investment excellence through increased internal capability and rapid scaling of our data and systems management.

## Member outcomes

The strategy seeks to deliver five key outcomes for our members:

01

Strong **financial returns**.

02

Competitively **priced** products and services.

03

A more **sustainable and healthy world** for members to retire into.

04

Connected **experiences** including timely, relevant and personal interactions with HESTA.

05

Improved **retirement readiness**.



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# Our governance

## Why this matters to us

**We believe good governance is the key to operating as a financially successful fund for our members.**

It lays the foundation of every aspect of our operations, ensuring we act prudently and in the best financial interests of our members.

## How we create value

HESTA is managed by a corporate Trustee, H.E.S.T. Australia Limited, a profit-to-member public company limited by guarantee and regulated by legislative, regulatory and prudential obligations.

The Trustee is governed by a Board of Directors. The Board is made up of two independent Directors appointed by the Board and 12 Directors (six employee representatives and six employer representatives) appointed under the equal representation model and nominated by eligible guarantor organisations in health and community services.

The Board sets our strategic direction and monitors the implementation of our strategy by the Executive Team, in accordance with our governance framework.

The Fund is run in accordance with the Trust Deed and Constitution, relevant legislation and regulations.

Identifying and managing risk is important to achieving our strategic objectives and purpose. Our risk management framework and internal controls identify, evaluate and manage risks in line with our risk appetite, which is reviewed and approved by the Board annually.

The HESTA Trustee holds professional indemnity insurance to protect both itself and the Directors from claims against them. During the reporting period no claims have been made under the insurance policy and no penalties have been imposed under the Superannuation Industry (Supervision) Act 1993, which covers the regulation, responsibilities and activities of super funds.

HESTA does not make political donations.

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# 14

## Trustee directors

---

# 6

Employee  
representatives

# 6

Employer  
representatives

---

# 1

Independent  
director

(chair of the  
investment  
committee)

# 1

Independent  
chair

---

# 4

## Board committees

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**Like to know more about the governing rules and governance activities of the Fund?**

You can access a full copy of the HESTA Trust Deed, the H.E.S.T. Australia Limited Constitution and Governance Disclosures at [hesta.com.au/disclosure](https://hesta.com.au/disclosure).

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# Our board

## Independent Directors

<p><b>The Honourable Nicola Roxon</b> Independent Chair</p> 	<p><b>Susanne (Sue) Dahn AM</b> Independent Director and Chair of the Investment Committee</p> 
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## Employer organisation appointed Directors

<p><b>Dr Deborah Cole</b> Deputy Chair <b>Nominating body:</b> Australian Healthcare and Hospitals Association</p> 	<p><b>Gary Humphrys</b> <b>Nominating body:</b> Catholic Health Australia</p> 	<p><b>Catherine Smith</b> <b>Nominating body:</b> Australian Council of Social Service</p> 
<p><b>Alan Morrison</b> <b>Nominating body:</b> Australian Private Hospitals Association</p> 	<p><b>Jacqueline Bennett</b> <b>Nominating body:</b> Early Childhood Australia</p> 	<p><b>Emma Maiden</b> <b>Nominating body:</b> Aged &amp; Community Care Providers Association</p> 

## Employee organisation appointed Directors

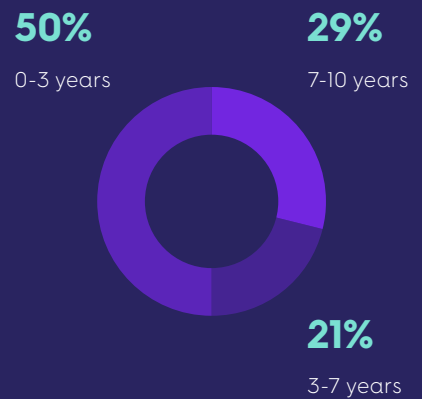
<p><b>Helen Gibbons</b> Deputy Chair <b>Nominating body:</b> United Workers Union</p> 	<p><b>Benjamin Davison</b> <b>Nominating body:</b> Australian Council of Trade Unions</p> 	<p><b>Emeline Gaske</b> <b>Nominating body:</b> Australian Services Union</p> 
<p><b>Kate Marshall</b> <b>Nominating body:</b> Health Services Union</p> 	<p><b>Angela van Vorst</b> <b>Nominating body:</b> Australian Nursing and Midwifery Federation</p> 	<p><b>Robert Bonner</b> <b>Nominating body:</b> Australian Nursing and Midwifery Federation</p> 

## Board changes in FY24

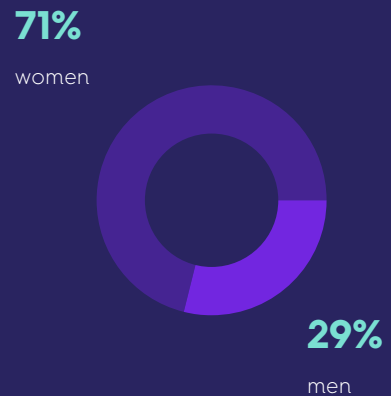
- **Susanne (Sue) Dahn**  
(Independent Director and Investment Committee Chair) joined the Board on 1 July 2023
- **Emma Maiden**  
(nominating body: Aged & Community Care Providers Association) joined the Board on 20 July 2023
- **Angela van Vorst**  
(nominating body: Australian Nursing and Midwifery Federation) joined the Board on 1 October 2023
- **Brett Holmes**  
(nominating body: Australian Nursing and Midwifery Federation) completed his tenure on 26 September 2023
- **Lori-Anne Sharp** (nominating body: Australian Nursing and Midwifery Federation) completed her tenure on 31 December 2023
- **Robert (Rob) Bonner**  
(nominating body: Australian Nursing and Midwifery Association) joined the Board on 1 January 2024

## Like to know more about our Board of Directors?

Visit our website for further details on our Board of Directors [hesta.com.au/board](https://hesta.com.au/board).



## Board diversity (gender)



Current as at 30 June 2024.

# Board committees

**Specialised responsibilities are delegated to Board-appointed committees consisting of Directors who report to the full Board.**

Committee Chair Members	Chair	Members
<p><b>Finance Audit and Compliance Committee</b></p> <p>In FY24, key focus areas included the review and appointments of the internal and external auditors, the comprehensive review of the insurance program, and the continued oversight of ongoing regulatory change, and uplift in internalised operational processes and strategy to meet regulatory requirements.</p>	<ul style="list-style-type: none"> <li>Gary Humphrys</li> </ul>	<ul style="list-style-type: none"> <li>Deborah Cole</li> <li>Benjamin Davison</li> <li>Kate Marshall</li> <li>Alan Morrison</li> </ul>
<p><b>Risk Committee</b></p> <p>Key areas of focus over FY24 included the continued risk oversight of the administration transition, information security strategy for FY24-26 and the review of internal controls on internalised investment portfolios. The Committee continued its oversights over enterprise and operational risks across HESTA.</p>	<ul style="list-style-type: none"> <li>Deborah Cole</li> </ul>	<ul style="list-style-type: none"> <li>Nicola Roxon</li> <li>Catherine Smith</li> <li>Emeline Gaske</li> <li>Jacqueline Bennett</li> <li>Angela van Vorst</li> <li>Robert Bonner</li> </ul>
<p><b>Governance and Remuneration Committee</b></p> <p>The Governance and Remuneration Committee is responsible for all governance and remuneration matters, including maintaining the appropriate balance of skills and expertise of Directors, reviewing Director training and education, Director and Executive Management remuneration, and Board performance and processes.</p> <p>In FY24, key focus areas included: the consideration of new nominee directors with a strong emphasis on ensuring the Board maintains the right level of skills and expertise; appointment of an external advisor to the Risk Committee to further enhance the skills required on that committee; and overseeing the remuneration framework and overseeing the implementation of the obligations under Financial Accountability Regime.</p>	<ul style="list-style-type: none"> <li>Helen Gibbons</li> </ul>	<ul style="list-style-type: none"> <li>Nicola Roxon</li> <li>Catherine Smith</li> <li>Alan Morrison</li> <li>Emeline Gaske</li> </ul>
<p><b>Investment Committee</b></p> <p>The Investment Committee is responsible for governing strategic investment decisions and providing strategic direction and oversight for HESTA's investment and responsible investment program. Its primary role is to assist the Board to set the Fund's investment objectives and ensure adequate frameworks are in place to monitor and manage investment risks, including environmental, social and governance (ESG) risks and relevant impact considerations.</p> <p>Key areas of focus over FY24 included the review of HESTA's investment beliefs, setting the HESTA Investor Identity and the progressive scale up of the internal Fixed Interest and Cash strategies. The Committee also undertook the annual reviews of HESTA's investment objectives, strategy and governance framework to maintain alignment with evolving regulation and legislation, and to respond to the changing market environment.</p> <p>The Committee continued its oversight of HESTA's responsible investment activities, including the ongoing implementation of the Climate Change Transition Plan and strategies linked to the priority Sustainable Development Goals.</p>	<ul style="list-style-type: none"> <li>Susanne (Sue) Dahn</li> </ul>	<ul style="list-style-type: none"> <li>Nicola Roxon</li> <li>Gary Humphrys</li> <li>Helen Gibbons</li> <li>Benjamin Davison</li> <li>Emma Maiden</li> <li>Susan Darroch (External Advisor)</li> </ul>



## Our performance

### The Board reviews its performance annually including an independent comprehensive review of its performance on a triennial basis.

Through this process, the Board is able to identify key areas of focus and assess its overall effectiveness on an ongoing basis.

This financial year, a key focus has been planning and preparing for our move to GROW Inc. for our outsourced administration services to help drive the pace and scale of data and technology-led innovation, designed to deliver outstanding service and experiences for our members and partners.

Despite the challenging investment and competitive landscape, HESTA has continued to deliver strong financial outcomes for its members through competitive investment returns, enhancing our digital footprint and using our influence to call out inequalities that impact our members. We continue to advocate for real, long-lasting change through investment excellence with impact.

Find out more at  
[hesta.com.au/board](https://hesta.com.au/board)

## Looking forward

The Board will continue to sharpen its focus for the coming year to ensure that it delivers outcomes through competitive long-term investment performance and high standards of governance to serve our members' interests and meet changing community expectations.

# Our executive



## The HESTA Executive Leadership team



### Back row, left to right:

Chief Financial Officer  
**Natalie Kelly;**

Chief Operating Officer  
**Stephen Reilly;**

Chief Risk Officer  
**Andrew Major;**

Chief Investment Officer  
**Sonya Sawtell-Rickson.**

### Front row, left to right:

Chief Engagement and  
Growth Officer  
**Josh Parisotto;**

Chief Executive Officer  
**Debbly Blakey;**

Chief Experience Officer  
**Lisa Samuels;**

Chief Strategy Officer  
**Sam Harris.**



# Our people and culture

## Why this matters to us

At HESTA, our people are motivated by our strong focus on putting our members' needs at the centre of every decision we make. We have an unwavering focus on creating a culture that enables our colleagues to do the best work of their careers. To deliver as best we can for members, we aim to attract and retain individuals who are future-focused, purpose-driven, and high-performing. Our team is committed to continuously evolving their capabilities, being adaptable to change, and maintaining a growth mindset as the world around us changes.

## Our culture enables our people to thrive

'I belong at HESTA' is the framework for our HESTA culture, and our HESTA values are the pillars of this Framework. What we do, and how we do it, creates the environment for our people to thrive.

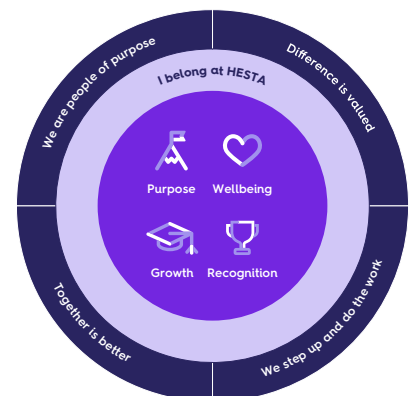
By living our values every day at HESTA, our strong culture continues to transform with us as we grow and evolve. We work hard to create, deliver and sustain value for our people through our employee value proposition, which creates the conditions for people to do the best work of their careers.

## Our employee value proposition is centred around four focus areas:

<b>Purpose</b>	I have a tangible impact and am proud of the value I create at HESTA.
<b>Wellbeing</b>	I am supported by my colleagues and have the flexibility to balance work and other commitments.
<b>Growth</b>	I value the opportunities I have at HESTA to grow and develop my career.
<b>Recognition</b>	I feel valued and appreciated for my work. The value I give is equal to what I receive at HESTA.

## How we create value

We attract innovative and transformation-ready people who can deliver outstanding outcomes for HESTA members. Leadership and accountability are expectations for every person in every role, and this drives performance right across the Fund. Our people genuinely believe in making a difference, fuelling opportunities to make an impact for our members.





## Our performance

Over the financial year, we maintained our focus to attract, develop, and retain exceptional talent while nurturing a positive and inclusive workplace culture where everyone ‘belongs’. We have advanced our thinking on diversity, equity and inclusion, strengthened our change management capability across HESTA and built a blueprint for the future of work.

### Leadership, Growth and Development

At HESTA we continue to invest in the potential of our people to create a ‘career with impact’. We want to create a learning ecosystem through the building of current skills as well as growing our capability to make an impact in the future. In addition to focused individual development, we have invested in strengthening the skills of current and future leaders through digital learning platforms and our suite of HESTA leadership programs.

### Diversity, equity, inclusion (DEI) and belonging

HESTA promotes inclusivity in our workplace. We take pride in being bold advocates for systemic change, both within and outside our organisation. Our DEI Framework’s strategic focus areas of organisation, practices, learning and storytelling help us to continue to foster our culture of inclusion.

DIVERSITY	EQUITY	INCLUSION
The demographic composition of our workforce that members trust and feel represented by	Systems and process to achieve equity	A culture of inclusion where every colleague belongs
<b>PRIORITY AREAS</b>		
Raising the bar on <b>Gender equity at work</b>	Enduring commitment to <b>Reconciliation at work</b>	Expanding our <b>DEI focus at work</b>
← →	<b>An intersectional approach</b>	← →
<b>STRATEGIC FOCUS</b>		
<b>Organisational practices and tools</b>	<b>Learning and development</b>	<b>Storytelling and celebrations</b>
Data, tools and practices to drive DEI	Enabling inclusion through learning	Sharing, learning and celebrating progress
<b>FOUNDATION</b>		
Inclusive leadership and growth mindset		
<b>EMPLOYEE LIFECYCLE</b>		
Attract > Recruit > Onboard > Develop > Retain > Exit > Advocacy		

## OUR EMPLOYEE PHILOSOPHY

### Build and grow

Build our employees’ capacity and capability so they can deliver on our strategic objectives



### Inspire

Discover, inspire, develop and retain purpose-driven employees who will continue to innovate and grow in capability, proficiency and confidence to continue to drive organisational performance



### Support

Support our employees’ growth, wellbeing and work/life balance to retain skills and experience



### Engage

Actively engage with our community and the sector we serve through our corporate responsibility and awards programs, so our people are deeply connected to and inspired by members’ work and needs



## POSITIVE MEMBER OUTCOMES

**Family Friendly Workplace  
Recertification**

**Employer of Choice  
for Gender Equality  
again in**

**2024**

**92%**

Retention rate

**91%**

Onboarding  
experience

**80%**

Engagement  
score

**85%**

would  
recommend  
HESTA to  
people they  
know as a  
great place to  
work

## Organisational change management

Our progressive approach to change management prioritises adaptability, collaboration and human-centricity, enabling us to navigate complexity and drive meaningful transformation.

This approach has created a positive and supportive environment where employees feel valued, empowered and equipped to adapt to change and contribute to organisational success, evidenced through 88% of employees responding favourably to Managing Change in the 2024 Engagement Survey.

## Future of work

The world of work is evolving rapidly. To ensure long-term sustainability and competitive advantage, we recognise the imperative to prepare and evolve for the future of work as technological advancements, demographic shifts and evolving societal expectations are transforming the workplace.

We have commenced the development of a Future of Work Plan, including an assessment of our current state and an articulation of how we would like to mature and evolve over time.



## Corporate responsibility

**Business activity has continued to increase this financial year, with more employees returning to the office.**

This has seen an increase in our year-on-year carbon footprint. To manage this increase, we have prepared a draft operational sustainability strategy to help reduce our impact on the environment.

Our partnership with STREAT, a social enterprise cafe dedicated to helping marginalised young people thrive by providing real work experience in its cafés, kitchens and garden continued this reporting period. The STREAT café running out of our head office in Melbourne, trained several young people who have gone on to further employment in hospitality.

With a ban on disposable items, we have also saved almost 20,000 single-use cups from landfill.

# Our business partners

## Why this matters to us

Our partnerships are central to delivering real value to our members.

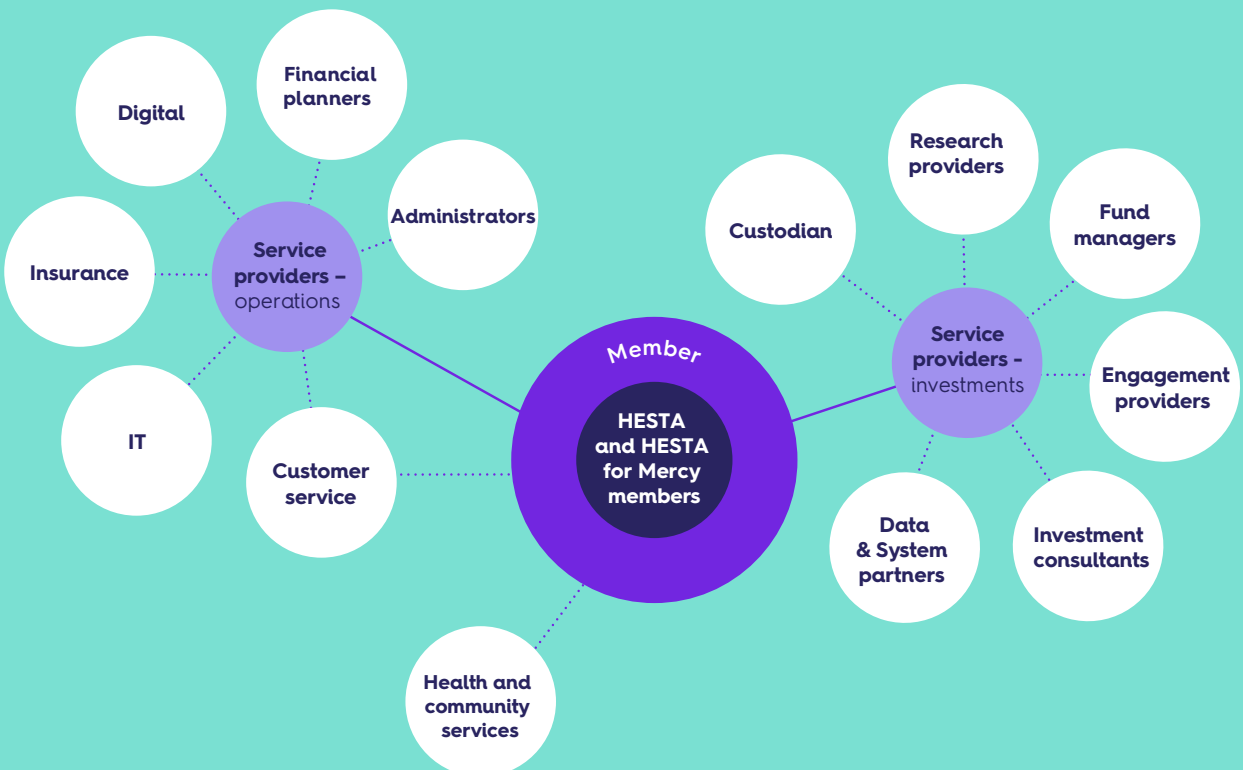
We nurture strong relationships with business partners who we believe share our commitment to creating a better future for our members.

By partnering with external providers and systems we can ensure HESTA stays lean and responsive, making good choices today while being flexible enough to respond to change.

## How we create value

### We choose partners who:

- offer market-leading solutions for members
- share and support our purpose and member-focused approach
- increase our people’s capacity and capability
- offer genuine value for money, to help us control costs
- help us ensure our strategy and execution are responsible
- exemplify leading global practice
- support us to meet our regulatory obligations.



# Our member research and insights

## Why this matters to us

Our member research capability supports our increasingly personalised services, to meet our members' needs now and throughout their journey with us. We combine insights supported by leading research partners with our growing internal capability, to inform the decisions we make on our members' behalf.

## How we create value

We had over 50,000 touchpoints with members this financial year where we could gather information about their needs, expectations and experiences through our member experience program. Our members' input informs critical member initiatives that are delivered across HESTA.

### We collect members' feedback through the four components of our member research program:

- strategic thematic deep dives
- strategic Brand and Member Experience Tracker program
- Voice of Member program
- Have a Say member community.

## Our performance

### Retirement readiness

The retirement readiness of our members – a tool we use to measure how our members are tracking to meet the ASFA Retirement Standard “comfortable” retirement lifestyle – is the highest it has been since we first started tracking this at the end of 2016.

That means an extra 196,500 HESTA members are on track in terms of retirement readiness compared to 7 years ago.

These are the things we measure to ensure we're making a real difference to the financial future of our members – helping them to face the future with confidence.



## Support for members at risk of vulnerable status

One of our research initiatives this financial year was an analysis of our transactional and operational data to understand what a vulnerable state looks like across our membership. By identifying patterns of behaviour, we're better able to predict who could be falling into a vulnerable state and who may be facing financial hardship. This helps us identify how we can provide early support to these members.

We have seen a 26% year-on-year increase in early redeem claims for hardship and compassionate grounds over the past three financial years, with around 11,500 completed in FY24. We are exploring how we can customise our products and services to meet the needs of members at risk of vulnerable status. The aim is to support them at the trigger point – and help them remain in the workforce.



## Strategic Brand and Member Experience Tracker program

Our Brand and Member Experience Tracker program provides critical strategic input to inform our initiatives, by keeping a pulse on how our members are experiencing HESTA. In FY24 HESTA maintained the strongest results for 'supports health and community services (HACS)', 'invests in a socially responsible way' and 'is an advocate for gender equality' compared to HACS members in tracked competitor funds.

Further, we survey members regularly to ensure our responsible investment approach is informed by members' preferences and aligned with their expectations. Their feedback help informs the environmental, social and governance decisions we make.

**Below are some of the key FY24\* results:**

**7.9/10**

**Overall  
Satisfaction:  
member**

**7.7/10**

**Financial  
confidence  
index: member**

\* Source: Brand & Member Experience Tracker FY24, as of 31 May 2024.



## Voice of Member and Have a say member community

Our member experience program is designed to help HESTA support our members throughout their time with us. By continuously monitoring over 25 member touchpoints, we are able to quickly identify opportunities to take action.

Each year we collect feedback from approximately 50,000 members. 64% of members who interacted with us were Promoters (score 9 or 10 for advocacy), with an NPS of 46 for the financial year.

Our online insights panel – the Have a say member community – has over 4,500 members who provide input on a range of subjects. This program allows us to bring our members' voices to key initiatives in a timely way (within a few days).

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## Experience design

Our human-centred design capability enables our employees to deliver superior member-centric offerings and experiences. Our approach starts with our members and partners – the people we are designing for – and ends with solutions tailored to their needs.

Over the last financial year, we've collaboratively enhanced experiences for members, employers, employees, and partners, focusing on critical areas for our members such as insurance and our support for those most in need (vulnerable state).

Through deep integration of human-centered design (HCD), we've championed its principles across the organisation, aimed at bringing our members' voice into every decision we make.

## Looking forward

We will continue to proactively address the increasing financial hardship faced by our members by leveraging our capability and technology to help automate timely, targeted communications with members. We will closely monitor impacts like the rising cost-of-living to ensure we can support our members when they need it most and to help improve their control – and confidence – around retirement.

# What we do

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# We strive for investment excellence with impact

## A year in review from our chief investment officer.

I am delighted to share the strong investment results that HESTA has delivered for our members.



## Market performance

The year began with a soft market outlook across most asset classes.

A global recession seemed likely as economic growth was expected to continue to slow as the prior year's rapid interest rate hikes started to be absorbed. Central banks were continuing to raise rates to combat high inflation – Australia's inflation rate stood at 6.0% for the prior year. This saw July 2023 policy rate increases from the US Federal Reserve, the European Central Bank, and the Bank of Canada.

The central banks sticking to "higher for longer" saw negative returns in the equity markets across September and October 2023, while rising geopolitical tensions kept energy prices elevated, adding to inflation risks and softer market outlooks. The Reserve Bank of Australia's last hike in this cycle was in November 2023, citing sticky wages and inflation (tracking over 5% p.a.). By the end of 2023, weaker US inflation saw a pivot in the US Federal Reserve positioning, supporting the bond and equity markets. Despite tighter financial conditions, investor interest in Generative Artificial Intelligence buoyed equity markets.

Domestically, the equity market ended financial year 2024 strongly with an 11.9% gain, the financial sector being the top contributor while softer returns came from energy and materials sectors. Despite a notable pullback in April 2024, the international markets surged by about 20% for the year, with Technology and Artificial Intelligence sectors as the strongest drivers of returns. As central banks generally delayed interest rate cuts, fixed income returns came in softer for the financial year. The property sector, particularly office spaces, struggled due to adjusting to higher interest rates and lower occupancy levels in the post-Covid work-from-home era. Infrastructure assets delivered solid returns, supported by the steady demand for essential services.

## HESTA investment performance

### HESTA finished the financial year in a strong position.

As previously noted, listed equities and higher yielding defensive asset returns helped support strong investment performance across HESTA's ready-made options.

Our MySuper Balanced Growth option - where most of our members are invested - achieved an annual return of 9.10% for the FY24<sup>\*</sup>, outperforming its peer median<sup>1</sup> and 10-year average.

For our retired members, our Income Stream Balanced Growth option delivered 10.16% for the financial year<sup>\*</sup>, while our Income Stream Conservative option delivered 6.03%<sup>\*</sup>. Both options are outperforming their median peer over the 3, 5 and 10-year periods<sup>2</sup>.

Our strong returns and high rankings across our investment options relative to peers, shows that HESTA remains a leading fund that continues to make a difference to our members in retirement.

## Outlook

### Global economies have proven resilient despite ongoing challenges and higher interest rates.

Persistent domestic inflation is keeping interest rates elevated, leading to lingering concerns about an economic slowdown.

However, rate cuts from the Reserve Bank of Australia and the US Federal Reserve are anticipated over the next financial year, which will be welcomed by households and companies. Financial markets remain optimistic that central banks will be able to navigate 'soft landings', and avoid deep recessions.

Whatever the market delivers, at HESTA we will continue to actively take advantage of opportunities and adjust to emerging risks to help deliver our long-term investment objectives.

We are proud of the continued investment excellence with impact that we deliver for our members. And I wish to thank them for trusting HESTA to help them face the future with confidence.

### Sonya Sawtell-Rickson

Chief Investment Officer

## OUR INVESTMENT BELIEFS

**Central to delivering our vision for Super with impact™ are our investment beliefs, which guide our investment process and decision making**

As long-term investors, our members' best financial interests are served by a deep commitment to responsible investment

A forward-focused total portfolio approach strengthens alignment with investment objectives

Targeted active management, working alongside leading global partners, delivers outperformance

Proactive and strategic risk awareness creates portfolio resilience

Value can be enhanced by effective governance, harnessing technology and data, and disciplined implementation.

What we do

\* Investments may go up or down. Past performance is not a reliable indicator of future performance. Returns are net of investment fees and costs, transaction costs and taxes.

<sup>1</sup> SuperRatings Accumulation Fund Crediting Rate Survey June 2024. SR50 Balanced (60-76) Index median.

<sup>2</sup> SuperRatings Accumulation Fund Crediting Rate Survey June 2024. SRP50 Balanced (60-76) Index median; SRP50 Capital Stable (20-40) Index median.

# Our performance

## HESTA super for Accumulation and Transition to Retirement investment performance

From 1 October 2020 Transition to Retirement investment options were replaced by the same investment options available to HESTA super members. The performance shown on this page is for the corresponding HESTA super investment options. Please visit [hesta.com.au/ttr-historical](https://hesta.com.au/ttr-historical) for HESTA Transition to Retirement performance before 1 October 2020. HESTA for Mercy commenced 1 December 2022 and has the same investment options as HESTA. The past performance history shown here is the performance of the same investment options in HESTA.

### Ready-Made options

Returns to 30 June 2024	Since inception (% p.a.)	10Y (% p.a.)	5Y (% p.a.)	3Y (% p.a.)	1Y (%)
Balanced Growth <sup>†</sup>	8.53	7.62	6.93	5.50	9.10
Conservative <sup>*</sup>	6.10	5.18	4.04	3.21	5.44
Indexed Balanced Growth <sup>^</sup>	9.07	N/A	N/A	5.72	11.86
Sustainable Growth <sup>§</sup>	6.70	8.69	6.49	2.73	6.98
High Growth <sup>†</sup>	8.71	9.13	9.03	7.27	11.91

<sup>†</sup> Previously named Core Pool. Commenced 1 August 1987.

<sup>\*</sup> Previously named Conservative Pool. Commenced 1 July 1995.

<sup>^</sup> Commenced 1 October 2020.

<sup>§</sup> Previously named Eco Pool. Commenced 1 February 2000.

<sup>†</sup> Previously named Shares Plus. Commenced 1 July 1995.

### Your Choice options

Returns to 30 June 2024	Since inception (% p.a.)	10Y (% p.a.)	5Y (% p.a.)	3Y (% p.a.)	1Y (%)
Cash and Term Deposits <sup>+</sup>	2.98	1.79	1.56	2.23	3.98
Property and Infrastructure <sup>o</sup>	6.21	6.65	4.08	5.14	-0.72
Diversified Bonds <sup>‡</sup>	4.23	2.03	-0.28	-1.77	3.24
Australian Shares <sup>†</sup>	8.97	8.35	8.25	7.29	11.79
International Shares <sup>†</sup>	6.20	10.07	10.24	5.79	17.43

<sup>+</sup> Previously named Cash; changed to include Term Deposits on 1 Oct 2020. Performance history before 1 October 2020 based on Cash. Commenced 1 July 2001.

<sup>o</sup> Previously named Property; changed to include Infrastructure on 1 Oct 2020. Performance history before 1 October 2020 based on Property. Commenced 1 July 2001.

<sup>‡</sup> Previously named Global bonds. Commenced 1 July 2001.

<sup>†</sup> Commenced 1 July 2001.



## Retirement Income Stream/ Term Allocated Pension (TAP) performance

The past performance shown here is the corresponding Income Stream options

Returns to 30 June 2024	Since inception (% p.a.)	10Y (% p.a.)	5Y (% p.a.)	3Y (% p.a.)	1Y (%)
Balanced Growth <sup>†</sup>	6.07	8.13	7.35	5.70	10.16
Conservative <sup>*</sup>	5.43	5.56	4.39	3.49	6.03
Indexed Balanced Growth <sup>^</sup>	10.06	N/A	N/A	6.27	13.11
Sustainable Growth <sup>§</sup>	11.08	9.53	7.16	2.96	7.71
High Growth <sup>‡</sup>	6.63	9.71	9.15	7.10	12.70

<sup>†</sup> Previously named Balanced. Commenced 12 December 2007.

<sup>\*</sup> Commenced 12 December 2007 | <sup>^</sup> Commenced 1 October 2020.

<sup>§</sup> Previously named Eco. Commenced 1 July 2012.

<sup>‡</sup> Previously named Active. Commenced 12 December 2007.

## Your Choice options

Returns to 30 June 2024	Since inception (% p.a.)	10Y (% p.a.)	5Y (% p.a.)	3Y (% p.a.)	1Y (%)
Cash and Term Deposits <sup>+</sup>	2.89	2.07	1.83	2.63	4.69
Property and Infrastructure <sup>°</sup>	2.99	7.21	4.71	5.56	-0.99
Diversified Bonds <sup>‡</sup>	-1.76	N/A	N/A	-2.01	3.71
Australian Shares <sup>°</sup>	8.03	9.02	8.69	8.23	12.75
International Shares <sup>°</sup>	8.59	10.86	10.89	6.12	18.63

<sup>+</sup> Previously named Cash; changed to include Term Deposits on 1 Oct 2020. Performance history before 1 October 2020 based on Cash. Commenced 1 July 2008.

<sup>°</sup> Previously named Property; changed to include Infrastructure on 1 Oct 2020. Performance history before 1 October 2020 based on Property. Commenced 12 December 2007.

<sup>‡</sup> Commenced 1 October 2020.

<sup>°</sup> Commenced 1 July 2008.

## How returns are applied to HESTA and HESTA for Mercy accumulation accounts and HESTA and HESTA for Mercy Income Stream accounts

Unit prices are calculated at the close of business every business day which reflects the net movement in value of the underlying assets. The movement may be positive or negative. This unit price is applied to the number of units held by each member to calculate an account balance. Annual investment returns reflect the change in the value of units between the unit price on 30 June and the unit price on 30 June the following year. Investment fees and costs, and transaction costs (available at [hesta.com.au/pds](https://hesta.com.au/pds)) and taxes are deducted from investment earnings before the unit price is declared. Please note investment earnings in the HESTA Retirement Income Stream and HESTA Term Allocated Pension are untaxed, while those in the accumulation and transition to retirement products are taxed. The latest and historical returns are available for HESTA at [hesta.com.au/performance](https://hesta.com.au/performance), HESTA Income Stream at [hesta.com.au/isperformance](https://hesta.com.au/isperformance) and HESTA Transition to Retirement Income Stream at [hesta.com.au/ttrperformance](https://hesta.com.au/ttrperformance). For HESTA for Mercy, visit [hestaformercy.com.au/performance](https://hestaformercy.com.au/performance).

## Derivatives policy

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.

## Why this matters to us

### At HESTA, our purpose is to invest in and for, people who make our world better.

We recognise how important a growing, sustainable and inclusive economy is to delivering strong long-term returns and maximising the best financial interest of our members.

## How we create value

We are a global investor overseeing a diversified portfolio. We use our scale, positive net cash flow, and long investment horizon to 'invest for tomorrow' by focusing on emerging growth opportunities and taking advantage of market volatility.

### Central to delivering our vision for Super with impact™ are our investment beliefs, which guide our investment process and decision making:

- As long-term investors, our members' best financial interests are served by a deep commitment to responsible investment
- A forward-focused total portfolio approach strengthens alignment with investment objectives
- Targeted active management, working alongside leading global partners, delivers outperformance
- Proactive and strategic risk awareness creates portfolio resilience
- Value can be enhanced by effective governance, harnessing technology and data, and disciplined implementation.

## Total portfolio approach from allocation to execution

Each of our Ready-Made diversified investment options starts with a strategic asset allocation based on expectations of how asset classes will perform and interact over the long term, supported by extensive research and modelling.

We adopt a total portfolio approach (TPA) that gives us a deep understanding of forward-looking opportunities and risks across global asset classes. We develop this understanding through harnessing insights across our teams and a broad global expert network. This enables our investment team to invest with confidence and conviction as they dynamically adjust asset allocations and positions to improve the probability of achieving the investment objectives.

We invest in strategies managed by internal teams as well as by external managers, bringing together a range of investment capability and a breadth of market perspectives. We focus on building strong long-term partnerships with leading investment organisations, with whom we work to achieve strong outcomes for members. Our internal teams manage over \$9 billion<sup>6</sup> – or over 10 per cent – of our portfolio across Australian equities, fixed income and cash strategies.

Growth in our internal capability has been backed by significant investment in our systems and governance, including risk oversight. Our internalisation strategy is helping to deliver value and impact for our members. Building our internal teams gives us greater agility and flexibility, which means we can execute quickly on more investment opportunities at a lower cost to members. It also gives us greater input and control in our responsible investment.

<sup>6</sup> \$9.282 billion in FUM managed internally, equating to 10.6% of AUM as at 30 June 2024.

## Integrated responsible investment

Embedded in our investment decision making is our belief that members' best financial interests are served by a deep commitment to responsible investing.

Responsible investment (RI) is an approach to investing that incorporates the consideration of environmental, social and governance (ESG) risks and opportunities into investment decision making and active ownership, to aim to deliver strong long-term returns.

Results for the 2023 Principles for Responsible Investment (PRI) reporting assessment released in January 2024 showed HESTA scoring an overall average of 95% and significantly outperforming the PRI median.

These results help strengthen HESTA's standing as an RI leader, and acknowledge our strong governance, implementation and measurement of RI approaches, while accelerating our contribution to a more sustainable world.

### The three key components to our responsible investment approach include:

- Capital allocation - through responsible investment integration, exclusions and thematic investments we seek to manage risks and capture opportunities.
- Active ownership - through engagement and voting we seek to influence management on responsible investment issues that can impact long-term returns at the company and market level to protect and enhance long-term investment value.
- Advocacy - as a significant asset owner and representative for our membership, we can use our voice to address systemic issues that are at odds with maintaining and building strong and stable financial markets, and delivering strong long-term performance.

You can read more about our responsible investment approach in our Responsible Investment Report, available at [hesta.com.au/reports](https://hesta.com.au/reports)

## Measuring our contribution to the United Nations Sustainable Development Goals (SDGs)

We aspire to contribute to outcomes aligned with the aims of priority SDGs through capital allocation and active ownership. To track the progress of our portfolio's alignment to priority and broader SDGs, we subscribe to the Sustainable Development Investments Asset Owner Platform (SDI AOP).

The platform identifies the percentage of a company's revenue aligned to underlying SDG targets, according to an agreed taxonomy and allows us to measure the level of SDG alignment of the investment portfolio.

Based on the SDI AOP Taxonomy\*, we estimate that as at 30 June 2024, HESTA had \$13bn in sustainable development investments. This represents approximately 14.9% of HESTA's total assets under management that are aligned with our priority and broader SDGs.

Sustainable Development Goal	% of total fund*
<b>3</b> Good health and well-being	6.90%
<b>11</b> Sustainable cities	4.73%
<b>7</b> Affordable and clean energy	2.13%
<b>13</b> Climate action	0.28%
<b>9</b> Industry, innovation and infrastructure	0.22%
<b>12</b> Responsible consumption	0.20%
<b>15</b> Life on land	0.18%
<b>6</b> Clean water	0.10%
<b>4</b> Quality education	0.08%
<b>1</b> No poverty	0.06%
<b>2</b> Zero hunger	0.05%
<b>14</b> Life below water	0.01%

\* Information on the taxonomy can be found at <https://www.sdi-aop.org/sdi-classification/>

## HESTA Sustainable Growth

Our Sustainable Growth option aims to tilt investment towards companies and assets that contribute towards achievement of the SDGs. It invests in shares, debt and property, with some private equity, alternatives, infrastructure and cash investments.

As at 30 June 2024, 87% of funds under management of HESTA's Sustainable Growth option were managed through SDG-tilted or thematically-aligned strategies, with cash and government bonds comprising the majority of the remaining funds under management for the option.

Applying the SDI AOP taxonomy\*, 27.5% of the option's funds under management were invested in alignment with priority and other SDGs. This methodology only includes revenues directly linked to SDGs hence it provides a conservative estimate of alignment.

The strong relative alignment of the option is demonstrated by its contribution to the SDGs compared with standard financial benchmarks. For Australian shares, 16% of the asset class was aligned to priority and broader SDGs vs 11.5% for the benchmark^, while for international shares, 27.6% of the asset class was aligned to priority and broader SDGs vs 12.6% for the benchmark^. For property and infrastructure, 100% of the asset class was aligned to priority and other SDGs, and for private equity, 45.4% of the portfolio was aligned.

	Sustainable Development Goal	% of HESTA Sustainable Growth
3	Good health and well-being	11.62
11	Sustainable cities	7.40
7	Affordable and clean energy	6.56
6	Clean water	0.89
9	Industry, innovation and infrastructure	0.35
2	Zero hunger	0.23
4	Quality education	0.20
12	Responsible consumption	0.12
15	Life on land	0.06
14	Life below water	0.04
1	No poverty	0.02
13	Climate action	0.01

You can read more about the Sustainable Growth option in the *Investment Choices* guide, available at [hesta.com.au/pds](https://hesta.com.au/pds)

\* Information on the taxonomy can be found at <https://www.sdi-aop.org/sdi-classification/>

^ As at 30 June 2024. We use the S&P/ASX300 for Australian shares, and blended MSCI ACWI ex-Australia and MSCI Emerging Markets for international shares.

## Responsible Investment Association Australasia (RIAA)

The HESTA 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 [responsiblereturns.com.au](https://responsiblereturns.com.au) and RIAA's **Financial Services Guide** for details.<sup>1</sup>

The Certification Symbol is issued by Responsible Investment Association Australasia (RIAA) ACN (641 046 666), AFSL (554110) and signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations and that HESTA Sustainable Growth adheres to the operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product. The classification signifies the degree to which sustainability is a consideration and binding investment criteria.



**SUSTAINABLE PLUS**  
— CERTIFIED BY RIAA —

<sup>1</sup> 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 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 if the advice relates to the acquisition, or possible acquisition, of a particular financial product. Certifications are current for 24 months and subject to change at any time.

## Investing in healthcare

HESTA has a proud track record of long-term investment in health and life sciences, supporting jobs and innovation in sectors where many of our members work. Investing with a long investment horizon allows members to benefit from more illiquid opportunities and demand a higher return for being a liquidity provider to capital markets.

We have deep relationships across the fast-growing healthcare sector, which provides us with a unique investment perspective. By harnessing these insights and opportunities we are focused on investing in innovative companies that are developing the technologies and growth areas of the future to improve health and wellbeing while delivering strong investment outcomes for our members.



### Case study

#### ClareMedica

ClareMedica operates a chain of primary care clinics focused on improving patient outcomes through holistic, hands-on care with an emphasis on preventative and proactive medicine.

Through the Balanced Growth and Sustainable Growth investment options, HESTA invested in the opportunity alongside US healthcare specialist manager, Revelstoke Capital Partners this financial year. Investments like these are part of our commitment to deliver Super with impact™ and align with SDG3: Good Health and Well-being.

Our members' capital is supporting innovation in their sector – developing new business models and technology and commercialising medical breakthroughs – helping to future-proof the sectors in which they work.



# We advocate for better member outcomes

## Why this matters to us

Creating strong long-term financial returns for our members is the reason HESTA exists. With the United Nations Sustainable Development Goals (SDGs) as our compass, we use our collective voice to help address system-level inequities impacting our members and those we see falling behind.

## How we create value

### We raise our voice on issues that impact our members' financial futures.

This includes advocating for legislative and systemic changes to improve financial security for our members in retirement. In particular, we continue to focus on policies that help close the gender super gap on behalf of our more than 80% female membership.

This year we made numerous submissions to proposals for regulatory change. You can read them at [hesta.com.au/advocacy](https://hesta.com.au/advocacy).

## Our performance

The financial year has seen significant progress in HESTA's work to help improve financial systems that can deliver better outcomes for our members and our community.



## Introducing super on Commonwealth Paid Parental Leave



For more than a decade HESTA has tirelessly advocated for super to be paid on the Commonwealth Parental Leave Pay scheme, to address a long-standing gender-blind spot in Australia's retirement system.

We welcomed the Federal Government's announcement in March 2024 that super will be paid on the Commonwealth Paid Parental Leave Scheme. Paying super on paid parental leave will help our members add much-needed dollars to their retirement accounts, narrowing the gender super gap and making Australia's super system fairer.

We will keep pushing for policy makers to make improving women's retirement outcomes a top priority and continue to advocate for other key equity measures that can help improve retirement outcomes for our members, and women.

**Fairer tax settings for low-income workers**

The Low-Income Super Tax Offset (LISTO) is a federal government tax rebate for low-income workers earning less than \$37,000. It was designed so that low-income earners do not pay more tax on their super contributions than on their take-home pay. However, due to bracket creep, LISTO eligibility has not kept pace with the original policy intent. This means that some workers in the second tax bracket pay more tax on their super than they should.

For the second consecutive year we made a recommendation to the Federal Government to extend eligibility for the LISTO to those earning up to \$45,000 and to link the offset to the applicable Superannuation Guarantee.

**Advocating for mandatory climate-related financial disclosure laws**

Climate change poses a material, direct and current financial risk that is relevant to HESTA’s management of our investment portfolio in the best financial interests of members.

In FY24 we participated in a series of consultations with Treasury on the design of a mandatory, internationally-aligned framework for disclosure of climate-related financial information. As a large and diversified asset owner we were an early advocate for, and adopter of, climate disclosure for our investment portfolio to provide members transparency on our climate-related activities.

Climate disclosures are an important tool for investors, supporting delivery of strong, long-term financial outcomes for members. They provide transparent and consistent information to enable assessment and management of climate-related risks and opportunities across the investment portfolio.

**Reconciliation Action Plan (RAP)**



In this first year of our 2023-2025 RAP, we joined industry initiatives to understand more about the Aboriginal and Torres Strait Islander experiences of the superannuation system, and look at how we can make systemic improvements in partnership with other funds, regulators and community.

We continued our work with the Dhawura Ngilan Business and Investor Initiative (DNBII), which in this financial year released two innovative guides for businesses and investors offering comprehensive guidelines and resources to promote respectful partnerships for cultural heritage protection.

We were one of the first large superannuation funds to publicly support the Aboriginal and Torres Strait Islander Voice Referendum and remain committed to continuous action. Looking forward, we are committed to a range of actions in partnership with Indigenous organisations aimed at improving employment opportunities and outcomes for Aboriginal and Torres Strait Islander members.

# We understand our members

## Why this matters to us

Every HESTA member should be able to look forward to a retirement that rewards their life's work.

We aim to be our members' fund for life. That means delivering products and services that can help improve their financial outcomes. By supporting each member's individual needs and choices at every step along their journey, we can help them achieve their goals.

## How we create value

### Industry super fund

Our members are with a fund that was founded by and for their industry. Every member can feel confident that:

- profits go to them
- we aim to keep our fees and costs down
- we aim to deliver strong long-term performance.

### Help and advice

Our advice service helps members build confidence about their super and improve their financial future. We focus on making sure they get the help they need first time, through:

- self-service online
- member helpline and chatbot
- super education and advice in members' workplaces, information sessions and seminars/webinars
- specialised personal help delivered by HESTA advisers.

### Partnering with health and community services

Our relationships with employers, unions and other partners connects us to our members and the issues affecting them.

### Investments

We strive to invest with excellence for impact, using our expertise and influence to deliver strong long-term returns while accelerating our contribution to a more sustainable world.

### Insurance

Our members have access to 24/7 insurance cover, and help to understand insurance, from calculators to advice. Members can pause their premiums for up to 12 months while on parental leave - an important benefit for them.

### Research and insights

We work to better understand what individual members need and support them with solutions.

### Advocacy

Women and low paid workers face unique challenges in building their retirement savings, so we advocate for changes to the super system to help close this gap.

### HESTA Income Stream

Our members can stay with HESTA throughout their retirement with our income stream product – ensuring they enjoy all the benefits of membership while accessing a regular income as they transition out of full-time work.

### Digital support

Many members have told us they prefer using HESTA's digital services, so we continue to invest in our digital capability to build faster, smarter and more personalised online solutions.

## Our performance

### GROW Inc

The transition of our current administration services from MUFG to GROW Inc. commenced this financial year and is expected to be complete in 2025.

This strategic partnership and change program aims to enhance our ability to deliver cost-effective services while continuing to invest in personalised digital experiences and automation for our employers, advisers and more than 1.05 million members.

### Member help

We continue to focus on creating personalised, connected experiences that can help our members act easily to improve their financial future.

In October 2023, enhancements were made to our online digital tool, Future Planner, which helps members examine how different actions – such as increasing contributions, adjusting investment options, or changing retirement dates – might affect their retirement outcomes. Members can then choose further advice and support to help them plan and progress towards their long-term financial goals.

More than 51,000 members have used Future Planner since the enhancements were made.

### HESTA advice outcomes

Our advisers delivered intra-fund personal advice to:

**2,732**  
members

### Insurance

We focused on improving our insurance offerings this financial year. The simplification and enhancement of the Insurance Portal for insurance applications and the launch of Claims' pilots to simplify and fast track the process, were aimed at easing the complexity of the process and reducing waiting times for our members.

### AIA - claims portal improvements

As part of the claims portal improvements, our insurer AIA has added real time tracking of members' insurance claims, allowing members to view the status of their claim in real time – eliminating the need to phone or email for an update. This improvement has led to a substantial increase in the lodgement of online claims which has, in-turn, led to a reduction in time to process the initial assessment.

Phase two of the portal improvements will allow for automated initial claims assessments, removing the requirement for manual intervention and reducing the wait time for members ever further. It will also support more reflexive questioning during the claims assessment to allow more tailored and complete information gathering that will assist with a more streamlined claims process.

## INSURANCE SNAPSHOT FY24

**>\$186m**

total insurance benefits paid

**>\$60m**

death (or terminal illness)  
benefits paid

**\$117m**

in ongoing income protection  
benefits paid directly to our  
members

**>\$9m**

approved total  
and permanent  
disablement benefits

**94%**

insurance claims admitted by  
our current insurer (AIA)

Represents approximate data as  
at 30 June 2024.

## Financial hardship

Insights gathered from our member research indicated an opportunity to improve our support for members experiencing financial hardship. We uplifted the financial hardship claim process by simplifying eligibility requirements and improving efficiencies in our processing – in turn reducing the time and effort involved for members.

The uplift has sped up the hardship claim process with initial assessments now being completed in as little as five minutes. This means members who need early access to their superannuation can receive their funds faster than before. Looking forward, we aim to continue improving the process to provide a better member experience.

## Retirement

Understanding how our members are coming to us for advice can help determine what support they need and how we can best help them. Our retirement help service team delivers general advice to more than 15,000 HESTA members each year, with over 40% referred by our contact centre team, and 38% seeking support after engaging with our website and marketing campaigns.

Our pre-retirement and retirement seminars had more than 8,000 registrations this financial year, with more than 500 speaking with a HESTA Adviser for personal advice.

The overall engagement impact is even greater across our member help channels, with a further 6,000 viewing a video, 7,000 requesting a chat with our super experts, and 6,000 clicking through to our online Future Planner tool.

## Retirement strategy

Retirement continues to be an important focus area for HESTA. In the financial year, a Retirement Working Group was established to reimagine the whole retirement experience and help build a robust Retirement Strategy. This Working Group has a particular focus on removing the gender-blind spot.

We will continue to provide the most appropriate products and services for members approaching retirement to help optimise their super over their lifetime. By better understanding our members' retirement circumstances, needs and expectations we can continue to deliver Super with impact™ well into retirement.

While many current initiatives, including our pre- and post-retirement forums, are working well, the strategy will build out other ways to better prepare members. And our unique health and community services membership and insights give us the opportunity to make our retirement delivery truly outstanding, particularly for women.

## Ask Izzy

Our research shows many members come to us seeking support for a range of reasons outside of superannuation, and we want to help them. Our 'Ask Izzy' partnership with Infoxchange allows members to search for over 430,000 social services providers, including financial assistance, food relief and family violence support, directly from the HESTA website.

Since the partnership launch, more than 3,380 HESTA members have accessed Ask Izzy from our website\*, connecting them with the vital support they need.

\* Ask Izzy is owned and operated by Infoxchange ABN 74 457 506 140. Third-party services are provided by parties other than H.E.S.T. Australia Ltd and under the terms and conditions of those parties. H.E.S.T. Australia Ltd does not recommend, endorse or accept any responsibility for the products and services offered by third parties or any liability for loss or damage incurred as a result of services provided by third parties. You should exercise your own judgment about the products and services being offered.

As of 30 June 2024.

## Looking forward

We'll continue to evolve our support for our members – at scale and in person – by delivering tools and experiences that empower them to take positive actions and make the most of their super.

We are continuing to assess ways to further enhance our support for members arising from the Quality of Advice Review reforms. We want to see the Government prioritise the release of tranche two of the Quality of Advice Review reforms for consultation.

We believe these proposed reforms can better support super funds like HESTA to provide more holistic financial advice, which considers a couple's Age Pension eligibility and financial position, including assets held outside of super. These reforms can provide better access to the benefits of financial expertise and support, potentially improving retirement outcomes at scale.



# We partner with purpose

## Why this matters to us

HESTA partners with employers, associations and unions nationally in health and community services. These partnerships are crucial for HESTA to reach existing and new members.

We're one of the only industry super funds dedicated to people working in the health, aged, community, and early childhood education and care sectors.

## How we create value

**The health and community services sector is our founding partners, for and with whom HESTA was created.**

We maintain our deep connection to the sector to ensure we understand our members' retirement needs.

**Relationships** We work closely with the sector to develop strong relationships that help us support and grow our member base.

**Support** Our close relationships help members and employers understand how our products and services can benefit them.  
Employers use our insights and data to help them support their workforce.

**Insight** We gain direct insight into our members' needs, and the issues affecting their sector, so we can support and advocate for them effectively, now and into the future.  
We share our insights to help build the sector's future.

**Connection** Our deep connection with the sector enables us to foster our advocacy and share the positive member outcomes of responsible investment.

## Our performance

**In-person engagements with our employer partners across the country has continued throughout FY24.**

We have leveraged these relationships to deepen our insights into our members and partners in the health and community services sector. Through these interactions, we have gained a deeper understanding of sector challenges, allowing us to respond with relevant tools and resources to better support our employer partners and their employees.

Our relationships play a critical role in growing and retaining our membership base. Engagement is also an opportunity for us to understand how our products and services can benefit members now and in retirement, through gaining valuable insight into the unique needs of our employers, members, and prospective members.

**We partner with more than 135,000 employers and deliver workplace education and advice sessions across Australia.**

We provide these services to HESTA members and employers at no extra cost.

This can help them make more informed decisions about super, delivering long-term value in the form of better outcomes.

**Conferences and events:**

**79** supported

**29,574**

attendees

**78**

face to face events

**29,074**

face to face attendees

**1**

virtual event

**500**

virtual attendees



## Voice of Employer survey

We ran a survey in April 2024 to better understand our employers' perceptions of HESTA, and assess how we best serve our more than 135,000 employers. Of the respondents, 96% believe it's important that their organisation's super fund gives members greater financial confidence, while 8 in 10 employers noted responsible investing as an important factor.

**Our serviced employers are very satisfied with the education, communication, payroll and business relationship manager support they receive from HESTA.**

Survey results suggest there is high demand for workplace education sessions from the 'non-serviced' employers – those without a business relationship manager. Education is a fundamental part of ensuring members can face their financial future with confidence. So, work is being done to understand how best to bring more educational support to our members via their employers, both through on demand videos and through scaled digital content, whilst also maintaining a face-to-face presence where possible.



## HESTA Awards program

Now in its 18<sup>th</sup> year, the Awards program continues to strengthen our deep connection to the health and community services sector, celebrating exceptional work in nursing and midwifery, aged care, community services, disability services, allied health and early childhood education and care.

And by amplifying the winners' and finalists' stories across our communications, we're attracting and retaining members to grow the Fund and keep delivering benefits of scale.

### 2024 HESTA Australian Nursing and Midwifery Awards



**Midwife of the Year Winner**

**Skye Stewart**

Red Nose Australia  
Woomelang, VIC

**Nurse of the Year Winner**

**Cathy Halmarick**

Peninsula Health  
Frankston, VIC

**Outstanding Organisation Winner**

**Healthy Communities Foundation Australia**

Collarenebri, NSW

### 2023 HESTA Early Childhood Education and Care Awards



**Outstanding Service Winner**

**Nazareth Early Childhood Centre**

Findon, SA

**Individual Leadership Winner**

**Rachael Phillips**

Birreelee Multifunctional Aboriginal Children's Service  
West Tamworth, NSW

**Advancing Pedagogy & Practice Winner**

**Balnarring Pre-School**

Balnarring, VIC

## Looking forward

We'll remain focused on working closely with our sector partners to help grow our Fund, enhancing benefits of scale for our members. We'll also continue to evolve our partner support, so we can maintain our deep understanding of our members and their invaluable work.

# Other fund information

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# Super investment options

## Ready-Made options

as at 30 June 2024

Ready-Made options	Balanced Growth Our MySuper default option	Conservative																																																												
<b>Description</b>	<p>This is our default investment option where a majority of our members have their super invested.</p> <p>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.</p>	<p>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.</p>																																																												
<b>Investment objective long-term (p.a.)</b>	To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 3.0%	To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 1.5%																																																												
<b>Probable number of negative annual returns over 20 years*</b>	4 to less than 6	2 to less than 3																																																												
<b>Risk level</b>	High	Medium																																																												
<b>Suggested minimum investment timeframe</b>	5 to 7 years	1 to 3 years																																																												
<b>Type of investor this option may suit</b>	Ambitious	Cautious																																																												
<b>Strategic asset allocation<sup>^</sup></b>	 <table border="1"> <thead> <tr> <th>Asset class</th> <th>Strategic allocation</th> <th>Allocation range</th> </tr> </thead> <tbody> <tr> <td>Australian shares</td> <td>22%</td> <td>15 - 40%</td> </tr> <tr> <td>International shares</td> <td>31%</td> <td>15 - 45%</td> </tr> <tr> <td>Private Equity</td> <td>5%</td> <td>0 - 15%</td> </tr> <tr> <td>Alternatives</td> <td>2%</td> <td>0 - 15%</td> </tr> <tr> <td>Infrastructure</td> <td>10%</td> <td>5 - 25%</td> </tr> <tr> <td>Property</td> <td>6%</td> <td>0 - 20%</td> </tr> <tr> <td>Global debt</td> <td>19%</td> <td>0 - 35%</td> </tr> <tr> <td>Cash</td> <td>5%</td> <td>0 - 30%</td> </tr> <tr> <td>Currency exposure<sup>+</sup></td> <td>19.5%</td> <td>0 - 35%</td> </tr> </tbody> </table>	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 <sup>+</sup>	19.5%	0 - 35%	 <table border="1"> <thead> <tr> <th>Asset class</th> <th>Strategic allocation</th> <th>Allocation range</th> </tr> </thead> <tbody> <tr> <td>Australian shares</td> <td>9%</td> <td>5 - 20%</td> </tr> <tr> <td>International shares</td> <td>13%</td> <td>5 - 20%</td> </tr> <tr> <td>Private Equity</td> <td>-</td> <td>-</td> </tr> <tr> <td>Alternatives</td> <td>1%</td> <td>0 - 15%</td> </tr> <tr> <td>Infrastructure</td> <td>12.5%</td> <td>0 - 25%</td> </tr> <tr> <td>Property</td> <td>8.5%</td> <td>0 - 20%</td> </tr> <tr> <td>Global debt</td> <td>38%</td> <td>22 - 55%</td> </tr> <tr> <td>Cash</td> <td>18%</td> <td>10 - 30%</td> </tr> <tr> <td>Currency exposure<sup>+</sup></td> <td>9.5%</td> <td>0 - 25%</td> </tr> </tbody> </table>	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%	22 - 55%	Cash	18%	10 - 30%	Currency exposure <sup>+</sup>	9.5%	0 - 25%
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<sup>^</sup> Strategic asset allocations changed from 1 July 2023. For the most up-to-date information visit [hesta.com.au/investments](https://hesta.com.au/investments)

<sup>\*</sup> To understand how we determine probable number of negative annual returns; risk level; and investor type, read *Investment choices* at [hesta.com.au/pds](https://hesta.com.au/pds)

<sup>+</sup> 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.

## Ready-Made options (continued)

as at 30 June 2024

Indexed Balanced Growth	Sustainable Growth	High Growth																																																																																										
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 the UN 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.	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.																																																																																										
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# Super investment options

## Your choice options

as at 30 June 2024

Your Choice options	Cash and Term Deposits	Diversified Bonds																								
<b>Description</b>	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.																								
<b>Investment objective long-term (p.a.)</b>	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 50% Bloomberg Barclays Global Aggregate ex-Australia Index Hedged to \$A																								
<b>Probable number of negative annual returns over 20 years*</b>	Less than 0.5	2 to less than 3																								
<b>Risk level</b>	Very low	Medium																								
<b>Suggested minimum investment timeframe</b>	Less than 1 year	1 to 3 years																								
<b>Type of investor this option may suit</b>	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.																								
<b>Strategic asset allocation<sup>^</sup></b>	 <table border="1"> <thead> <tr> <th>Asset class</th> <th>Strategic allocation</th> <th>Allocation range</th> </tr> </thead> <tbody> <tr> <td>Term deposits</td> <td>50%</td> <td>0 - 60%</td> </tr> <tr> <td>Cash</td> <td>50%</td> <td>40 - 100%</td> </tr> <tr> <td>Currency exposure<sup>+</sup></td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Asset class	Strategic allocation	Allocation range	Term deposits	50%	0 - 60%	Cash	50%	40 - 100%	Currency exposure <sup>+</sup>	-	-	 <table border="1"> <thead> <tr> <th>Asset class</th> <th>Strategic allocation</th> <th>Allocation range</th> </tr> </thead> <tbody> <tr> <td>Global debt</td> <td>100%</td> <td>50 - 100%</td> </tr> <tr> <td>Cash</td> <td>0%</td> <td>0 - 50%</td> </tr> <tr> <td>Currency exposure<sup>+</sup></td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Asset class	Strategic allocation	Allocation range	Global debt	100%	50 - 100%	Cash	0%	0 - 50%	Currency exposure <sup>+</sup>	-	-
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## Your choice options (continued)

as at 30 June 2024

Property and Infrastructure	International Shares	Australian Shares
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.	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.	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.
To earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than CPI + 3.0%	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 <sup>##</sup> ) of MSCI All Country World Ex-Australia Index (unhedged in AUD).	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 <sup>##</sup> ) of the S&P/ASX 300 Accumulation Index.
3 to less than 4	6 or greater	6 or greater
Medium to High	Very high	Very high
3 to 5 years	7 to 10 years	7 to 10 years
An investor seeking to create their own portfolio, who would like to include property and infrastructure, or seeking exposure to this asset class.	An investor seeking to create their own portfolio, who would like to include international shares, or seeking exposure to this asset class.	An investor seeking to create their own portfolio, who would like to include Australian shares, or seeking exposure to this asset class



Asset class	Strategic allocation	Allocation range
Infrastructure	45%	30 - 70%
Property	45%	30 - 70%
Cash	10%	0 - 30%
Currency exposure <sup>+</sup>	0%	0 - 100%



Asset class	Strategic allocation	Allocation range
International Shares	100%	90 - 100%
Cash	0%	0 - 10%
Currency exposure <sup>+</sup>	50%	0 - 100%



Asset class	Strategic allocation	Allocation range
Australian Shares	100%	90 - 100%
Cash	0%	0 - 10%
Currency exposure <sup>+</sup>	-	-

Previously named Property

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# Income Stream investment options

## Ready-Made options

as at 30 June 2024

Ready-Made options	Balanced Growth	Conservative																																																												
<b>Description</b>	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.																																																												
<b>Investment objective long-term (p.a.)</b>	To earn a return (after-tax return for TTR), after investment fees and indirect costs, equivalent to or higher than: RIS: CPI + 3.5% TTS: CPI + 3.0%	To earn a return (after-tax return for TTR), after investment fees and indirect costs, equivalent to or higher than: RIS: CPI + 2.0% TTS: CPI + 1.5%																																																												
<b>Probable number of negative annual returns over 20 years*</b>	4 to less than 6	2 to less than 3																																																												
<b>Risk level</b>	High	Medium																																																												
<b>Suggested minimum investment timeframe</b>	5 to 7 years	1 to 3 years																																																												
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## Ready-Made options (continued)

as at 30 June 2024

Indexed Balanced Growth	Sustainable Growth	High Growth																																																																																										
<p>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.</p>	<p>This option seeks to avoid exposure to particular activities and tilt investment towards companies and assets whose activities are thematically aligned with the UN 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.</p>	<p>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.</p>																																																																																										
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# Income Stream investment options

## Your choice options

as at 30 June 2024

Your Choice options	Cash and Term Deposits	Diversified Bonds																								
<b>Description</b>	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.																								
<b>Investment objective long-term (p.a.)</b>	Over the long term, to earn a return (after-tax for TTR), 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 a return (after-tax for TTR), 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 50% Bloomberg Barclays Global Aggregate ex-Australia Index Hedged to \$A																								
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<b>Suggested minimum investment timeframe</b>	Less than 1 year	1 to 3 years																								
<b>Type of investor this option may suit</b>	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.																								
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## Your choice options (continued)

as at 30 June 2024

Property and Infrastructure	International Shares	Australian Shares
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.	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.	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.
Over the long term, to earn a return (after-tax return for TTR), after investment fees and indirect costs, equivalent to or higher than: RIS: CPI + 3.5% TTS: CPI + 3.0%	Over the long term, to earn a return (after-tax return for TTR), 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).	Over the long term, to earn a return (after-tax return for TTR and adjusted for tax credits for RIS), after investment fees and indirect costs, equivalent to or higher than the return (net of tax) of the S&P/ASX 300 Accumulation Index (net of tax for TTR and adjusted for tax credits for RIS).
3 to less than 4	6 or greater	6 or greater
Medium to High	Very high	Very high
3 to 5 years	7 to 10 years	7 to 10 years
An investor seeking to create their own portfolio, who would like to include property and infrastructure, or seeking exposure to this asset class.	An investor seeking to create their own portfolio, who would like to include international shares, or seeking exposure to this asset class.	An investor seeking to create their own portfolio, who would like to include Australian shares, or seeking exposure to this asset class.



Asset class	Strategic allocation	Allocation range
Infrastructure	45%	30 - 70%
Property	45%	30 - 70%
Cash	10%	0 - 30%
Currency exposure*	0%	0 - 100%



Asset class	Strategic allocation	Allocation range
International Shares	100%	90 - 100%
Cash	0%	0 - 10%
Currency exposure*	100%	0 - 100%



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

Previously named Property

<sup>^</sup> Strategic asset allocations changed from 1 July 2023. For the most up-to-date information visit [hesta.com.au/investments](https://hesta.com.au/investments)

\* To understand how we determine probable number of negative annual returns; risk level; and investor type, read the HESTA Income Stream Product Disclosure Statement at [hesta.com.au/pds](https://hesta.com.au/pds)

+ 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.

# Record of Board meeting attendances over the last 7 years

Directors	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Dr Deborah Cole</b>	6/8	7/7	6/7	7/7	8/8	8/8	6/7
<b>Gary Humphrys</b>	8/8	7/7	7/7	7/7	8/8	7/8	7/7
<b>Catherine Smith</b>	8/8	5/7	6/7	7/7	8/8	8/8	7/7
<b>Helen Gibbons</b>	5/8	7/7	7/7	7/7	8/8	7/8	7/7
<b>Nicola Roxon</b>		3/3	7/7	7/7	8/8	8/8	7/7
<b>Emeline Gaske</b>			2/2	7/7	7/8	6/8	5/7
<b>Alan Morrison</b> (From 1 March 2021)				1/2	8/8	8/8	7/7
<b>Ben Davison</b> (From 15 September 2021)					6/6	8/8	6/7
<b>Kate Marshall</b> (From 1 January 2022)					3/3	7/8	6/7
<b>Jacqueline Bennett</b> (From 1 January 2023)						3/3	6/7
<b>Susanne Dahn</b> (From 1 July 2023)							7/7
<b>Emma Maiden</b> (From 20 July 2023)							6/6
<b>Angela van Vorst</b> (From 1 October 2023)							5/5
<b>Robert Bonner</b> (From 1 January 2024)							3/3
<b>Lori-Anne Sharp</b> (To 8 December 2023 to 31 December 2023)		7/7	7/7	7/7	7/8	7/8	3/3
<b>Brett Holmes</b> (From 15 September 2021 to 26 September 2023)					6/6	8/8	2/2
<b>Dr Saranne Cooke</b> (To 30 June 2023)	4/4	5/7	6/7	7/7	7/8	8/8	
<b>Mark Burgess</b> (To 27 June 2023)	8/8	7/7	7/7	7/7	7/8	8/8	
<b>Stephen Cornelissen</b> (From 14 February 2022 to 10 October 2022)					2/2	4/4	
<b>Klaus Zimmermann</b> (To 31 December 2021)	6/8	7/7	6/7	7/7	5/5		
<b>Lloyd Williams</b> (To 31 December 2021)	8/8	6/7	6/7	7/7	5/5		
<b>Sophie Ismail</b> (To 23 August 2021)		2/2	7/7	7/7	1/1		
<b>Anna Claude</b> (To 16 July 2021)	8/8	7/7	7/7	7/7			
<b>Daniel Sims</b> (To 31 December 2020)	7/8	6/7	7/7	4/4			

## Relevant experience and qualifications of key management personnel

Director	Other roles	Qualifications
<p><b>Nicola Roxon</b> Appointed 01/01/2019</p> <ul style="list-style-type: none"> <li>Independent Board Chair</li> <li>Member, Governance and Remuneration Committee</li> <li>Member, Investment Committee</li> <li>Member, Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>Chair, Australian Institute of Health and Welfare (September 2023 – present)</li> <li>Chair, Victorian Health Promotion Foundation (November 2021 – present)</li> <li>Director, Super Members Council of Australia Limited (October 2023 – present)</li> <li>Non-Executive Director, Dexus Fund Management (September 2017 – present) and Chair of ESG Committee</li> <li>Non-Executive Director, Dexus Holdings Limited (September 2017 to present)</li> <li>Non-Executive Murdoch Children's Research Institute (February 2023 – present)</li> <li>Member, Chief Executive Women</li> <li>Patron, BreastWest Foundation</li> <li>Member, Qantas Chairman's Lounge</li> <li>Chair, Advisory Council, Preventive Health SA</li> </ul> <p><b>Ceased</b></p> <ul style="list-style-type: none"> <li>Chair, Advisory Council Preventative Health SA (February 2024 - August 2024)</li> <li>Non- Executive Director, Lifestyle Communities (September 2017 – December 2023)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Arts/Law LLB (Hons), University of Melbourne</li> <li>Graduate, Australian Institute of Company Directors</li> </ul>
<p><b>Susanne Dahn</b> Appointed 01/07/2023</p> <ul style="list-style-type: none"> <li>Independent Director</li> <li>Chair, Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Non-Executive Director, Victorian Traditional Owners Funds Limited</li> <li>Consultant, Pitcher Partners (January 2018 – present)</li> <li>Council Member, RMIT</li> </ul> <p><b>Ceased</b></p> <ul style="list-style-type: none"> <li>Non-Executive Director, Australian Communities Foundation (January 2020 – June 2024)</li> <li>Independent Non-Executive Director, Breakthrough Victoria (February 2022 – January 2024)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Com, University of Melbourne</li> <li>MBA, University of Melbourne</li> <li>Graduate Diploma of Applied Finance and Investment</li> <li>Company Directors Diploma</li> <li>Graduate Certificate in Applied Corporate Governance and Risk Management</li> <li>Fellow of the Australian Institute of Company Directors (FAICD)</li> <li>Fellow Australian Institute of Super Trustees (FAIST)</li> <li>Fellow Finsia (former Securities Institute Australia) (F Fin)</li> <li>Fellow Australian Super Funds Association (FASFA)</li> <li>Fellow CPA Australia (FCPA)</li> </ul>
<p><b>Deborah Cole</b> Appointed 01/01/2015</p> <ul style="list-style-type: none"> <li>Deputy Chair</li> <li>Chair, Risk Committee</li> <li>Member, Finance Audit and Compliance Committee</li> </ul>	<ul style="list-style-type: none"> <li>Director, Frontier Advisors Pty Ltd (March 2019 to present)</li> <li>Director, Western Health (July 2022 – current)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Dental Surgery</li> <li>Master of Business Administration</li> <li>Graduate Diploma of Health Administration</li> <li>Graduate Certificate in Leadership and Catholic Culture</li> <li>Fellow of the Australian Institute of Company Directors (FAICD)</li> <li>Graduate of the Australian Institute of Superannuation Trustees Directors' (Adv) (GAIST)</li> </ul>
<p><b>Helen Gibbons</b> Appointed 04/02/2016</p> <ul style="list-style-type: none"> <li>Deputy Chair</li> <li>Chair, Governance and Remuneration Committee</li> <li>Member, Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Executive Director, United Workers Union (September 2010 – present)</li> <li>Director, South Australia Skills Commission (July 2024 – present)</li> <li>Member Council, United Workers Union</li> <li>Member, IFM Shareholder Advisory Board</li> </ul>	<ul style="list-style-type: none"> <li>Diploma of Teaching</li> <li>Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)</li> </ul>



## Relevant experience and qualifications of key management personnel (continued)

Director	Other roles	Qualifications
<p><b>Gary Humphrys</b> Appointed 18/05/2015</p> <ul style="list-style-type: none"> <li>Chair, Finance Audit and Compliance Committee</li> <li>Member, Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Trustee Director, Mary Aikenhead Ministries (June 2017 – present)</li> </ul>	<ul style="list-style-type: none"> <li>Post-graduate Diploma of Business Administration, University of Queensland</li> <li>Chartered Accountant</li> <li>Member and Graduate of Australian Institute of Company Directors (GAICD)</li> <li>Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST, Adv)</li> <li>Diploma of Commerce, NSW Institute of Technology (now University of Technology)</li> </ul>
<p><b>Catherine Smith</b> Appointed 25/09/2015</p> <ul style="list-style-type: none"> <li>Member, Risk Committee</li> <li>Member, Governance and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Director, Utilities of Australia Pty Ltd (August 2021 – present)</li> <li>Advisor, Australian Communities Foundation Philanthropy and Impact Committee</li> <li>Life Member, Victorian Council of Social Services</li> <li>Member, Country Needs People</li> <li>Member, Climate and Health Alliance</li> <li>Member, Gender Equity Victoria</li> <li>Chair, Energy Charter End Users Consultative Group</li> <li>Principal, Changesmith Consulting</li> </ul>	<ul style="list-style-type: none"> <li>Master of Strategic Foresight</li> <li>Bachelor of Natural Environmental Science</li> <li>Fellow of the Institute of Public Administration Australia IPAA (Vic Branch)</li> <li>Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST) followed by advanced training in 2021.</li> <li>RG 146</li> </ul>
<p><b>Emeline Gaske</b> Appointed 12/02/2020</p> <ul style="list-style-type: none"> <li>Member, Risk Committee</li> <li>Member, Governance and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Assistant National Secretary, Australian Services Union (ASU)</li> <li>Executive Member, ACTU</li> <li>Member, UNI APRO Executive Committee</li> <li>Member, Respect at Work Council</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Arts (Hons)</li> <li>Bachelor of Laws (Hons)</li> <li>Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)</li> <li>Graduate of Australian Institute of Company Directors Course (GAICD)</li> </ul>
<p><b>Alan Morrison</b> Appointed 01/03/2021</p> <ul style="list-style-type: none"> <li>Member, Governance and Remuneration Committee</li> <li>Member, Finance Audit and Compliance Committee</li> </ul>	<ul style="list-style-type: none"> <li>CEO, The Burnside War Memorial Hospital Inc</li> <li>Director and Treasurer, Australian Private Hospitals Association (November 2017 – present)</li> <li>State President, Australian Private Hospitals Association SA Branch</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting (Hons), University of Dundee, UK</li> <li>Chartered Accountant, Institute of Chartered Accountants of Scotland (ICAS) (Non Member)</li> <li>Graduate of Australian Institute of Company Directors (GAICD)</li> <li>Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)</li> </ul>
<p><b>Benjamin Davison</b> Appointed 15/09/2021</p> <ul style="list-style-type: none"> <li>Member, Finance Audit and Compliance Committee</li> <li>Member, Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Founder &amp; CEO of Ben Davison Consulting (sole trader)</li> <li>Board Member, Ballarat General Cemeteries Trust (July 2017 – present) and Chair of Organisational Capacity and Remuneration Committee</li> <li>Chair, Central Highlands Group Training Inc. trading as Ballarat Group Training (BGT) and Chair of policy Committee</li> <li>Board Member, ACTU Member Connect Connect (November 2019 – present)</li> <li>Board Member, Western Health (July 2022 – present) and member of Finance Committee and community advisory committee</li> <li>Member ASU Victorian Private Sector Branch</li> <li>Member, The New Daily Stakeholder Forum</li> <li>Life Member Deakin University Student Association</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Arts, majors in Journalism, Politics &amp; Policy, Deakin University</li> <li>MBA (Professional), Melbourne University</li> <li>Graduate, Australian Institute of Company Directors (AICD)</li> </ul>

## Relevant experience and qualifications of key management personnel (continued)

Director	Other roles	Qualifications
<p><b>Kate Marshall</b> Appointed 01/01/2022</p> <ul style="list-style-type: none"> <li>Member, Finance Audit and Compliance Committee</li> </ul>	<ul style="list-style-type: none"> <li>National Assistant Secretary, HSU</li> <li>Assistant State Secretary, HACSU, Vic</li> <li>Member, Trades Hall and Literary Institute</li> <li>Member, HSU National Executive, National Council and National Finance</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Arts (Journalism)</li> <li>Bachelor of Laws</li> <li>Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)</li> </ul>
<p><b>Jacqueline Bennett</b> Appointed 01/01/2023</p> <ul style="list-style-type: none"> <li>Member, Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>Director, Koobara Kindergarten and Pre-Prep Aboriginal and Torres Strait Islander Corporation Board (November 2016 – present)</li> </ul>	<ul style="list-style-type: none"> <li>Certificate IV – Community Services</li> </ul>
<p><b>Emma Maiden</b> Appointed 20/07/2023</p> <ul style="list-style-type: none"> <li>Member, Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Director, Sydney Community Forum (December 2015 – present)</li> <li>Executive member, Uniting NSW.ACT</li> <li>Director, EGM trust (testamentary trust) (February 2021 – present)</li> <li>Member, Uniting Financial Services Ethical Investment Monitoring Committee</li> <li>Member, Australian Services Union, NSW Branch</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Economics (Hons)</li> <li>Diploma of Law, Legal Practitioners Admission Board</li> <li>Admitted to Practice as a Solicitor by NSW Supreme Court</li> <li>Graduate Australian Institute of Company Directors</li> </ul>
<p><b>Angela van Vorst</b> Appointed 01/10/2023</p> <ul style="list-style-type: none"> <li>Member, Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>Member, NSW Nurses and Midwives Association</li> <li>Professional Officer, Superannuation, NSWMA</li> </ul>	<ul style="list-style-type: none"> <li>Registered Nurse</li> <li>Bachelor of Nursing, QUT</li> <li>Bachelor of Arts (Govt and Industrial Relations), University of Sydney</li> </ul>
<p><b>Robert Bonner</b> Appointed 01/01/2024</p> <ul style="list-style-type: none"> <li>Member, Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>Principal, Bonner Consulting</li> <li>Chair, HumanAbility Ltd (January 2022 – present)</li> <li>Deputy Chair, Steering Committee, Rosemary Bryant AO Research Centre of the University of South Australia</li> <li>Director, Rosemary Bryant Foundation (October 2017 – present)</li> <li>Member, Australian Nursing and Midwifery Federation</li> <li>Member, National Careers Institute Advisory Board</li> <li>Member, Australian Institute of Company Directors</li> </ul> <p><b>Ceased</b></p> <ul style="list-style-type: none"> <li>Trustee Director, Union Legal SA (March 2016 – March 2024)</li> </ul>	<ul style="list-style-type: none"> <li>MAICD</li> </ul>
<p><b>Lori-Anne Sharp</b> Appointed 01/07/2018 Ceased 08/12/2023</p>		
<p><b>Brett Holmes</b> Appointed 15/09/2021 Ceased 26/09/2023</p>		

## Relevant experience and qualifications of key management personnel (continued)

Trustee staff	Other roles	Qualifications
<b>Deborah Blakey</b> · Chief Executive Officer	<ul style="list-style-type: none"> <li>· Australian Council of Superannuation Investors (ACSI) – President (August 2021 – present)</li> <li>· International Corporate Governance Network (ICGN) (September 2021 – present)</li> <li>· Alternative Member, IFM Shareholder Advisory Board</li> <li>· Member, ISA Advisory Council</li> <li>· Member, Remunerations Committee, ACSI</li> <li>· Member, Finance, Risk, Audit Committee, ACSI</li> <li>· Member, Governance Committee, ICGN</li> <li>· Member, ASIC Consultative Panel</li> <li>· Member, Australian Institute of Company Directors (AICD)</li> <li>· Member, Chief Executive Women (CEW)</li> </ul>	<ul style="list-style-type: none"> <li>· Bachelor of Science</li> <li>· Certified Financial Planner* PS 146</li> <li>· Diploma of Financial Services (Financial Planning)</li> <li>· Non-Practitioner Member – Financial Planning Association</li> <li>· Member and Graduate of Australian Institute of Company Directors (GAICD)</li> </ul>
<b>Stephen Reilly</b> · Chief Operations Officer	<ul style="list-style-type: none"> <li>· Director, MDC Foundation Ltd (July 2018 – present)</li> <li>· Member, Australian Institute of Company Directors (AICD)</li> </ul>	<ul style="list-style-type: none"> <li>· Bachelor of Commerce</li> </ul>
<b>Lisa Samuels</b> · Chief Experience Officer	<ul style="list-style-type: none"> <li>· Industry Super Australia (ISA) (August 2021 - present)</li> <li>· Fund Executives Association Ltd (FEAL) (April 2022 – present)</li> <li>· Member, Chief Executive Women (CEW)</li> <li>· Member, Australian Institute of Company Directors (AICD)</li> </ul>	<ul style="list-style-type: none"> <li>· Master of Organisational Leadership</li> <li>· Graduate Diploma of Marketing</li> <li>· Bachelor of Applied Economics</li> <li>· Certificate of Superannuation Management</li> <li>· Graduate of Australian Institute of Company Directors (GAICD)</li> </ul>
<b>Sonya Sawtell-Rickson</b> · Chief Investment Officer	<ul style="list-style-type: none"> <li>· Investor Group on Climate Change (IGCC) Board Member &amp; Chair of the Finance Audit &amp; Risk Management Committee (July 2019 - present)</li> <li>· Member, IFM Shareholder Advisory Board</li> <li>· Bloomberg Women’s Buy Side Network, Executive Member of Australia/NZ Chapter</li> <li>· Executive Consulting Group for the Blue Dot Network</li> <li>· CFA Institute Research and Policy Center Advisory Council</li> <li>· Member, Chief Executive Women (CEW)</li> <li>· Member, Australian Institute of Company Directors (AICD)</li> </ul>	<ul style="list-style-type: none"> <li>· Masters of Applied Finance</li> <li>· Bachelor of Arts (Economics &amp; Political Science)</li> <li>· Senior Fellow, Financial Services Institute of Australasia (FINSIA)</li> <li>· Member and Graduate of Australian Institute of Company Directors (GAICD)</li> <li>· Affiliate Member, Chartered Financial Analyst Institute</li> </ul>
<b>Andrew Major</b> · Chief Risk Officer	<ul style="list-style-type: none"> <li>· Director, Basketball Australia (May 2021 – present)</li> <li>· Director, ISPT Pty Ltd and ISPT Operations Pty Ltd (May 2024 – present)</li> <li>· Director, Glenives Capital Pty Ltd</li> <li>· Member, Australian Institute of Company Directors (AICD)</li> </ul>	<ul style="list-style-type: none"> <li>· Bachelor of Economics (Hons), Sydney University</li> <li>· Bachelor of Laws (Hons), Sydney University</li> <li>· Masters of Applied Finance, Macquarie University</li> <li>· Graduate of Australian Institute of Company Directors (GAICD)</li> </ul>

## Relevant experience and qualifications of key management personnel (continued)

Trustee staff	Other roles	Qualifications
<b>Joshua Parisotto</b> <ul style="list-style-type: none"> <li>Chief Engagement and Growth Officer</li> </ul>	<ul style="list-style-type: none"> <li>Member, Australian Institute of Company Directors (AICD)</li> </ul>	<ul style="list-style-type: none"> <li>Graduate Diploma in Management</li> <li>Bachelor of Business Marketing</li> <li>Diploma of Financial Services</li> <li>Advanced Diploma of Financial Services</li> <li>Certified Financial Planner* and Member of Member of Financial Advice Association Australia</li> <li>Graduate of Australian Institute of Company Directors (GAICD)</li> </ul>
<b>Samuel Harris</b> <ul style="list-style-type: none"> <li>Chief Strategy Officer</li> </ul>		<ul style="list-style-type: none"> <li>Diploma of Financial Services (Superannuation)</li> <li>Graduate Certificate of Management, Australian Business Institute</li> <li>Certified Scrum Master, Agile 2015</li> <li>RG 146</li> </ul>
<b>Natalie Kelly</b> <ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>	<ul style="list-style-type: none"> <li>Director and member of Finance and Audit Committee, St Andrew's Private Hospital in Adelaide, South Australia (February 2023 - present)</li> <li>Member, Australian Institute of Company Directors (AICD)</li> </ul>	<ul style="list-style-type: none"> <li>Master of Commerce (Economics)</li> <li>Bachelor of Commerce (Economics Honours)</li> </ul>

# HESTA service providers

We use the following outsourced service providers to undertake material business activities on our behalf, to help ensure we achieve our goals and mission to make a real difference to the retirement outcomes of our members.

Service	Provider	ABN (if available)
<b>Administrator</b>	Australian Administration Services Pty Ltd known as MUFG (formerly known as Link)	62 003 429 114
	Grow Super Ops Pty Ltd	83 617 346 568
<b>Custodian</b>	JPMorgan Chase Bank, National Association	43 074 112 011
	Pacific Custodians Pty Ltd (part of Link Administration Pty Limited)	66 009 682 866
<b>Derivative overlay and transition management agreement</b>	Citigroup Global Markets Australia Pty Limited	64 003 114 832
	Macquarie Securities (Australia) Limited (different from Macquarie Investment Management Australia Limited).	58 002 832 126
<b>Fund portfolio management system</b>	SimCorp Asia Pty Ltd	96 095 178 064
<b>Information and technology provider</b>	Tecala Group Pty Ltd	97 079 430 416
<b>Internal auditor</b>	KPMG	51 194 660 183
<b>Investment management</b>	Allan Gray Australia Pty Limited (formerly Orbis)	48 112 316 168
	Antipodes Partners Limited	29 602 042 035
	Baillie Gifford Overseas Limited	
	BCP3 Pty Ltd	32 604 871 481
	BlackRock Asset Management (Australia) Limited	13 006 165 975
	Challenger Investment Partners Limited	29 092 382 842
	Cooper Investors Pty Limited	26 100 409 890
	Eiger Capital Pty Limited	72 631 838 607
	Generation Investment Management LLP	
	GoldenTree Asset Management LP	
	Greencape Capital Pty Ltd	98 120 328 529
	Hyperion Asset Management Limited	80 080 135 897
	IFM Investors Pty Ltd	67 107 247 727
	Insight Investment International Limited	
	ISPT Operations Pty Ltd	12 633 106 733
	JPMorgan Asset Management (Australia) Limited	55 143 832 080
Lazard Asset Management Pacific Co	13 064 523 619	
Lee Overlay Partners Limited		
Longwave Capital Partners Pty Ltd	17 629 034 902	



## HESTA Service Providers (continued)

<b>Service</b>	<b>Provider</b>	<b>ABN</b> (if available)
<b>Investment management</b> (continued)	Martin Currie Investment Management Limited	83 131 134 613
	Mirova US LLC	
	Ninety One Australia Pty Limited	52 131 940 451
	Palisade Investment Partners Limited	32 124 326 361
	Pendal Institutional Limited	17 126 390 627
	PIMCO Australia Pty Limited	54 084 280 508
	Plato Investment Management Limited	77 120 730 136
	QIC Limited	95 942 373 762
	Robeco Hong Kong Limited	50 436 122 863
	Sanders Capital LLC	
	Schroder Investment Management Australia Limited	22 000 443 274
	Stafford Capital Partners Pty Limited	31 094 669 940
	Stafford Fund Nominees Pty Limited	21 113 939 325
	State Street Global Advisors, Australia, Limited	42 003 914 225
	Touchstone Asset Management Pty Ltd	34 605 911 519
	Wellington Management Australia Pty Ltd	19 167 091 090
	Yarra Funds Management Limited	63 005 885 567
<b>Investment management, transition management and overlay services agreement</b>	Russell Investment Management Limited	53 068 338 974

# Investment managers

<b>Asset Class</b>	<b>Investment Manager</b>	<b>ABN</b> (if available)
<b>Cash</b>	H.E.S.T. Australia Ltd	64 971 749 321
	IFM Investors Pty Ltd	67 107 247 727
	JPMorgan Chase Bank, National Association	43 074 112 011
	State Street Global Advisors, Australia, Limited	42 003 914 225
<b>Global Debt</b>	BlackRock Investment Management (Australia) Limited	13 006 165 975
	Challenger Investment Partners Limited	29 092 382 842
	Citigroup Global Markets Australia Pty Limited	64 003 114 832
	H.E.S.T. Australia Ltd	64 971 749 321
	IFM Investors Pty Ltd	67 107 247 727
	JPMorgan Asset Management (Australia) Limited	55 143 832 080
	Macquarie Investment Management Australia Limited	55 092 552 611
	Macquarie Securities (Australia) Limited	58 002 832 126
	Oaktree Capital Management, L.P.	
	PIMCO Australia Pty Limited	54 084 280 508
	Schroder Investment Management Australia Limited	22 000 443 274
	Westbourne Credit Management Limited	27 131 843 144
	Wellington Management Australia Pty Ltd	19 167 091 090
	<b>Property</b>	AEW Capital Management, L.P.
Citigroup Global Markets Australia Pty Limited		64 003 114 832
EG Funds Management Pty Ltd		22 108 198 492
EQT Partners Australia II Pty Ltd		46 638 488 623
Eureka Funds Management Limited		47 107 346 841
Franklin Templeton Investments Australia Limited		87 006 972 247
Heitman Capital Management, LLC		
Investa Wholesale Funds Management Limited		16 149 681 390
ISPT Operations Pty Ltd		12 633 106 733
Kohlberg Kravis Roberts & Co. L.P.		
Macquarie Securities (Australia) Limited		58 002 832 126
MSREF V International-GP, L.L.C.		
Nuveen Alternatives Europe S.à r.l.		
Nuveen Real Estate Management Limited		
QIC Property Management Pty Ltd		43 076 279 359
Stride Property Limited		
Super Housing Partnerships Pty Ltd		15 661 379 451

## Investment managers (continued)

<b>Asset Class</b>	<b>Investment Manager</b>	<b>ABN</b> (if available)
<b>International shares</b>	Antipodes Partners Limited	29 602 042 035
	Baillie Gifford Overseas Limited	
	BlackRock Investment Management (Australia) Limited	13 006 165 975
	Citigroup Global Markets Australia Pty Limited	64 003 114 832
	Generation Investment Management LLP	
	GQG Partners	46 004 031 298
	Lazard Asset Management Pacific Co	13 064 523 619
	Martin Currie Investment Management Limited	83 131 134 613
	Mirova US LLC	
	Robeco Hong Kong Limited	50 436 122 863
	Sanders Capital LLC	
	State Street Global Advisors, Australia, Limited	42 003 914 225
	Wellington Capital Australia Pty Ltd	
	Ninety One Australia Pty Limited	52 131 940 451
Plato Investment Management Limited	77 120 730 136	
<b>Australian shares</b>	Allan Gray Australia Pty Limited (formerly Orbis)	48 112 316 168
	Cooper Investors Pty Limited	26 100 409 890
	Citigroup Global Markets Australia Pty Limited	64 003 114 832
	Eiger Capital Pty Limited	72 631 838 607
	Greencape Capital Pty Ltd	98 120 328 529
	Hyperion Asset Management Limited	80 080 135 897
	IFM Investors Pty Ltd	67 107 247 727
	Longwave Capital Partners Pty Limited	17 629 034 902
	Macquarie Securities (Australia) Limited	58 002 832 126
	Pendal Institutional Limited	17 126 390 627
	State Street Global Advisors, Australia, Limited	42 003 914 225
	Touchstone Asset Management Pty Ltd	34 605 911 519
	Yarra Funds Management Limited	63 005 885 567
	H.E.S.T. Australia Ltd	64 971 749 321
<b>Infrastructure</b>	Antin Infrastructure Partners SAS	
	Generate Capital, PBC	
	IFM Investors Pty Ltd	67 107 247 727
	Kohlberg Kravis Roberts & Co. L.P.	
	Macquarie Infrastructure and Real Assets Holdings Pty Limited	95 082 018 399
	Morrison Utilities Management Pty Limited	66 624 308 809
	Pacific Equity Partners Pty Limited	60 082 283 949
	Palisade Investment Partners Limited	32 124 326 361
Stafford Capital Partners Limited		

## Investment managers (continued)

<b>Asset Class</b>	<b>Investment Manager</b>	<b>ABN</b> (if available)
<b>Private equity</b>	Anarake Private Capital	
	Ascendent Capital Partners Limited	
	Blackbird Ventures Pty Ltd	93 159 044 989
	Brandon Capital Partners Pty Ltd	82 128 415 903
	Castik Capital Partners GmbH	
	Continuity Capital Partners Pty Ltd	17 143 294 517
	Denham Capital Management LP	
	FTV Management Company, L.P.	
	Generation Investment Management LLP	
	IFM Investors Pty Ltd	67 107 247 727
	Leapfrog Investments Group Ltd	
	Lexington Advisors Inc	
	Madison-India Management Advisors Private Limited	
	Newbury Partners LLC	
	Pacific Equity Partners Pty Limited	60 082 283 949
	Perennial Partners Limited	90 612 829 160
	Pomona Capital	
	Rio Energy Management LLC	
	Roc Capital Pty Ltd	37 167 858 764
	Rockbridge Growth Equity Management, L.P.	
	Schroder Adveq Management AG	
	Stafford Fund Nominees Pty Ltd	21 113 939 325
	Stafford Capital Partners Pty Ltd	31 094 669 940
	Stafford Private Equity Inc	
	Stone Point Capital LLC	
	Talu Ventures Pty Ltd	39 161 444 211
	TDR Capital, LLP	
Vencap Limited		
<b>Alternatives</b>	RenaissanceRe Capital Partners	
	BlackRock Financial Management, Inc	
	Healthcare Royalty Management, LLC	
	Integral ILS Ltd.	
	Kohlberg Kravis Roberts & Co. L.P.	
	Liverpool Partners Pty Ltd.	61 159 465 193
	Nephila Capital Limited	
	Oaktree Capital Management, L.P.	
	Social Ventures Australia Limited	94 100 487 572
<b>Currency management</b>	Lee Overlay Partners Limited	
	Insight Investment Management Limited	
	Russell Investment Management Limited	53 068 338 974
<b>Risk Management Strategies</b>	QIC Limited	95 942 373 762
	Russell Investment Management Limited	53 068 338 974

# Reserves

The Fund maintains an **Operational Risk Reserve**, in accordance with the requirements established by the Australian Prudential Regulatory Authority under Prudential Standard SPS114 Operational Risk Financial Requirement, and also holds a **Fund Development Reserve and Investment Account**.

## Operational Risk Reserve (ORR)

The purpose of the Operational Risk Reserve (ORR) is to provide protection to the Fund in the event that a loss is incurred from an operational risk event occurring. The Trustee intends to maintain this reserve at 0.25% of net assets available for member benefits.

The ORR is maintained in a distinct segregated portfolio by our Custodian and is managed to the same strategic asset allocation as the lower-risk diversified portfolio investment option, Conservative. The Trustee maintains a policy to deal with the use of the ORR including management of any shortfalls or surpluses from the target amount.

The following represents the balance of the Operational Risk Reserve:

30 June 2024	\$ 199.72 million (audited)
30 June 2023	\$ 176.84 million (audited)
30 June 2022	\$158.27 million (audited)

## Fund Development Reserve (FDR)

The Fund Development Reserve (FDR) is primarily used to fund the operations of the Fund, planning for significant projects that are not business as usual or to respond to any initiatives that arise that will benefit the members of HESTA, including seeding new investment options.

The FDR is maintained in a distinct segregated portfolio by our Custodian and is broadly managed to the same asset allocation mix as HESTA's Conservative investment option. Analysis of revenue and expenditure of the Fund against budget is performed on a monthly basis, allowing the Trustee to manage any surplus or deficit to the FDR.

The following represents the balance of the Fund Development Reserve:

30 June 2024	\$112.30 million (audited)
30 June 2023	\$101.45 million (audited)
30 June 2022	\$96.85 million (audited)

## Investment Account (IA)

The Investment Account (IA) is maintained for the purpose of accumulating the investment earnings of the Fund's assets prior to allocation to member accounts. The Investment Account comprises the difference between the cumulative amount of investment income earned (net of expenses and tax) and the cumulative amount of investment income allocated to members' accounts, including timing differences between the investment valuations and tax provisions. These timing differences can result in large movements year on year.

The following represents the balance of the Investment Account:

30 June 2024	(\$1.13) million (audited)
30 June 2023	\$126.11 million (audited)
30 June 2022	(\$49.85) million (audited)

## Trustee Capital Reserve (TCR)

H.E.S.T. Australia Ltd (A.B.N. 66 006 818 695), a Company limited by guarantee, maintains the Trustee Capital Reserve.

For the year ended 30 June 2024

	Jun-24 \$	Jun-23 \$
<b>Opening balance as at 1 July 2023</b>	11,597,040	5,395,867
Net transfers to/(from) reserves	7,300,000	8,800,000
Interest	700,837	268,301
Bank charges	-	(70)
Penalties and Fines	(48,600)	-
GST paid	(663,637)	(800,000)
Income tax expense	(1,834,300)	(2,067,058)
<b>Closing balance as at 30 June 2024</b>	<b>17,051,340</b>	<b>11,597,040</b>

The Trustee Capital Reserve (TCR) represents the balance of funds held by H.E.S.T. Australia Limited (the Company) as capital on its own account to address the risks associated with its role as trustee of HESTA (Trust).

On the 11 December 2023, a Trustee Fee of \$7,300,000 was paid from the Fund Development Reserve and transferred to the Trustee Capital Reserve.

The investment strategy for the Trustee Capital Reserve considers the risk profile of HESTA's investment options and is currently invested in a negotiated cash rate, to reduce volatility.

The Trustee Capital Reserve will be maintained in a distinct segregated portfolio and is separately identifiable from Trust assets.

# When you have a complaint, we listen

If you're not satisfied with our products or services, we have a complaint resolution process to address your complaint fairly and efficiently.

## Internal dispute resolution process

### Step 1

Call to discuss your complaint.

If your complaint relates to your:

HESTA super account,  
call **1800 813 327**

HESTA Income Stream account,  
call **1300 734 479**.

HESTA for Mercy super and  
income stream accounts,  
call **1300 368 891**.

### OR

You can send us your complaint in writing to our Complaints Officer by:

### HESTA members

#### Mail:

Complaints Officer  
HESTA  
Locked Bag 5136  
Parramatta NSW 2124

#### Email:

'Attention: Complaints Officer'  
HESTA super accounts:  
[hesta@hesta.com.au](mailto:hesta@hesta.com.au)  
HESTA Income Stream accounts:  
[hestais@hesta.com.au](mailto:hestais@hesta.com.au)

### HESTA for Mercy members

#### Mail:

Complaints Officer  
HESTA for Mercy  
PO Box 8334  
Woolloongabba QLD 4102

#### Email:

'Attention: Complaints Officer'  
[information@hestaformercy.com.au](mailto:information@hestaformercy.com.au)

### Step 2

We'll investigate your complaint and try to resolve it in 10 business days.

If we can't respond fully in that time, we will keep you informed about the progress of your complaint. We have 45 days to resolve the complaint, or 90 days if your complaint relates to a decision about a death benefit. Our response will detail the outcome of the investigation and the reason for our decision. This process is free of charge.

## External dispute resolution process

### The Australian Financial Complaints Authority

(AFCA) has been established to resolve complaints with financial services providers which consumers can access free of charge.

If you haven't received a response from us within 45 days, or after receiving our decision you are not satisfied with our response, you can complain to AFCA.

### Australian Financial Complaints Authority

GPO Box 3  
Melbourne VIC 3001  
1800 931 678  
[info@afca.org.au](mailto:info@afca.org.au)  
[afca.org.au](http://afca.org.au)

### Timeframes for complaints to AFCA

For AFCA to deal with certain complaints they must be made within certain timeframes:

#### Death benefits

If you object to a decision about a death benefit, this will be treated as a complaint and HESTA will have 90 days to respond. You may also make a complaint to AFCA, within 28 days of that decision.

#### Total and Permanent Disability (TPD)

If you permanently ceased employment because of the illness or injury that gave rise to the claim for a TPD benefit, you must have made a claim to us for the payment of the TPD benefit within two years of permanently ceasing employment and must make a complaint to AFCA within four years of our decision about the TPD claim.

#### Statements given to the Commissioner of Taxation under s.1053(2) of the Corporations Act

One year from notice.

#### Other superannuation complaints

For all other complaints you will have two years from the date of our response to make a complaint to AFCA.



# What you need to know about this Annual Report

This Annual Report contains information about HESTA (the Fund) ABN 64 971 749 321 and is produced by H.E.S.T. Australia Limited ABN 66 006 818 695, AFSL No. 235249, the Trustee of the Fund. H.E.S.T. Australia Limited is the issuer of the products 'HESTA', 'HESTA Personal Super', 'HESTA Corporate Super', 'HESTA Term Allocated Pension', 'HESTA Income Stream', 'HESTA for Mercy', and 'HESTA for Mercy Income Stream'.

Care is taken to ensure that information is correct at the date of preparation, but neither the Trustee nor its advisers accept responsibility for any error or misprint, nor for anyone acting on this information, which is of a general nature. It does not take into account your objectives, financial situation or specific needs so you should look at your own financial position and requirements before making a decision.

You may wish to consult an adviser when doing this. The information also represents our interpretation of the law in some instances but should not be relied upon as legal advice. Product ratings are only one factor to be considered when making a decision. See [hesta.com.au/ratings](https://hesta.com.au/ratings) for more information.

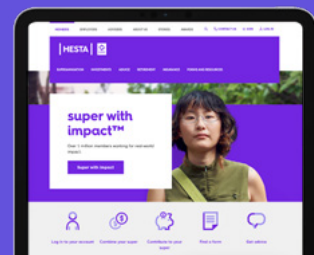
Please note investments can go up and down. Past performance is not a reliable indicator of future performance. The target market determination for HESTA products can be found at [hesta.com.au/tmd](https://hesta.com.au/tmd) and for HESTA for Mercy, [hestaformercy.com.au/tmd](https://hestaformercy.com.au/tmd). Before making a decision about HESTA products you should read the relevant Product Disclosure Statement (call 1800 813 327 or visit [hesta.com.au/pds](https://hesta.com.au/pds) for a copy or for HESTA for Mercy call 1300 368 891, visit, [hestaformercy.com.au/pds](https://hestaformercy.com.au/pds)), and consider any relevant risks ([hesta.com.au/understandingrisk](https://hesta.com.au/understandingrisk)).

**If you have any feedback on this Annual Report you can write to:**

**Debby Blakey**  
Chief Executive Officer

**HESTA**  
PO Box 615,  
Carlton South,  
VIC, 3053

## Contact us



## HESTA enquiries

**1800 813 327**

[hesta@hesta.com.au](mailto:hesta@hesta.com.au)

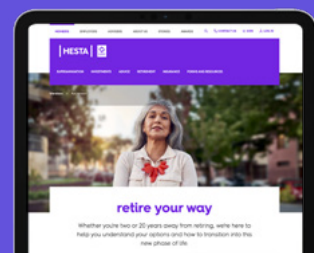
**hesta.com.au**

Locked Bag 5136,  
Parramatta, NSW, 2124

## HESTA for Mercy enquiries

**1300 368 891**

[hestaformercy.com.au](https://hestaformercy.com.au)



## HESTA Income Stream enquiries

**1300 734 479**

[hestais@hesta.com.au](mailto:hestais@hesta.com.au)

**hesta.com.au/  
incomestream**

Locked Bag 5136,  
Parramatta, NSW, 2124

**HESTA**

