



Your member magazine

AUGUST 2022

Super with impact

Find out what it
means for you

INVESTMENT PERFORMANCE UPDATE

Strong long-term returns
in a year of change

WELLNESS IN RETIREMENT

An expert's tips
for a happy and
well-adjusted
retirement

PROTECTING CULTURAL HERITAGE

An investment in
our shared future

AFFORDABLE HOUSING

How you're
helping to solve
the challenge



HESTA



our

Retirement Hub

Make the most of your super and retirement planning, related to your HESTA account.



From tools to advice, our Retirement Hub can support you to enjoy life after work:

- understand your **financial options**
- get tailored **Retirement Income Stream** application support
- learn about your **Centrelink entitlements**.

Explore your options at hesta.com.au/retirementhub

in this issue...

06

What HESTA super with impact means for you; Shir's story; investment update; wellness in retirement



12

Meet Midwife of the Year finalist Teresa Walsh; investing in housing affordability

14

Protecting cultural heritage; 5 minutes with HESTA Chief Advice Officer Josh Parisotto



1800 813 327 | hesta@hesta.com.au | hesta.com.au

Locked Bag 5136, Parramatta NSW 2124

Disclaimer: The HESTA member magazine is issued by H.E.S.T. Australia Ltd ABN 66 006 818 695 AFSL 235249, the Trustee of HESTA. Care is taken to ensure that information is correct at the time of preparation (27/07/22), but neither HESTA nor its advisers accept responsibility for any error or misprint, nor for anyone acting on this information. This information 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 target market determination for HESTA products can be found at hesta.com.au/tmd. Investments may go up and down. Past performance is not a reliable indicator of future performance. Before making a decision about HESTA products you should read the relevant Product Disclosure Statement (call 1800 813 327 or visit hesta.com.au for a copy), and consider any relevant risks (hesta.com.au/understandingrisk).

staying strong

Welcome to your latest
member magazine.



You may have heard the saying that change is the only constant in life - and that has certainly been the case over the past 12 months.

No matter where you are in your financial journey, you may have been feeling this on a personal and professional level. And I want to take a moment to reaffirm that we're here to support you now and every year.

A huge part of this is ensuring your super investments have a real impact: on your financial wellbeing, your community and the world we share.

In this issue, we explore what that means for you, from strong long-term investment performance despite a challenging global environment, to investing in projects that will help increase the supply of affordable housing.

You'll also read insights from an expert in maintaining wellness in retirement, including simple tips to boost health and happiness during this exciting time of life.

I hope you enjoy these stories and wish you the very best for the coming year.

Best regards,

Debby Blakey

Chief Executive Officer

Three things I'm focusing on right now



Opportunities

Moments of change can often reveal new paths forward.



Connections

After so much disruption, it's been fantastic to reconnect to our members and the HESTA team.



Tomorrow

From evolving our advice services to moving us towards a carbon neutral world - HESTA is always looking to the future.

super with impact



Notice something different about HESTA these days? We've made a few changes – and we hope you like what you see.

We've taken a fresh look at how to best support our members in a changing world. You've told us what you want: strong long-term performance from sustainable, responsible investments. A more equal society. And a healthy community.

And we're listening. You're with a top performing fund that's driving real world impact: not just on your financial future, but on our shared tomorrow. Our new look reflects how we invest in and for you: the people who make our world better.

What that actually means for you

From enhancing the responsible investment approach that's delivered outstanding long-term performance, to investing in climate action and affordable housing, to supporting pay and super equality: we're creating a better future together.

Right now, that means:



award-winning investment performance over 5, 10 and 15 years*



investing in clean energy



calling for super to be paid on Commonwealth Parental Leave Pay.

Want to know more?

Visit hesta.com.au/impact to see how you're investing in things that matter to you.

*As at 30 June 2022. Past performance is not a reliable indicator of future performance. Visit superratings.com.au for important information about this rating. Product ratings are only one factor to be considered when making a decision.

Shirl's story: from confusion to relief



Crisis housing professional and HESTA member Shirl, 61, recently started a Transition to Retirement (TTR) Income Stream account. See how it's helped her financial future.

"I reckon I was 54 when I attended a HESTA seminar in Blackburn. It was on transitioning to retirement. I wasn't ready to retire but I was interested to know how the process worked. I trusted the brand, so I went along to the seminar and from there made a booking to meet with a HESTA super adviser. At that meeting we realised I'd been making before AND after-tax contributions!"

"So we stopped the after-tax contributions, upped my before-tax (salary sacrifice) contributions, which put me down a pay bracket and I ended up paying less tax and more in my super – win, win!"

Fast forward

"After the pandemic settled down, I went to another transition to retirement session. By this stage I was 61 and wanting to know more. It was here I met Sharon from HESTA, who I instantly clicked with. She explained that she wasn't able to offer me financial advice there and then, but introduced me to Superannuation Adviser, Pooja.

"My partner and I met with Pooja where she went through every aspect of my super. We realised that my nominated beneficiaries were way out of date, so we updated them straight away.

"We also talked about winding back work and setting up a TTR Income Stream account, and how it would help me in the short and long term.

"After our meeting with Pooja, she sent me a lot of information to read. I wrote down questions so I could go back to her. She answered them in 24 hours (in writing and over the phone).

"I talked it over with my partner and it made sense to her too. So I signed on the dotted line. It took no time to organise.

"After I increased my salary sacrifice amounts, we set up a TTR Income Stream which tops up the shortfall. So essentially, I'm still earning the same money, just putting more into my super, and paying less tax. I was quite anxious with how it was going to go, but it was fine. I can't believe how smooth it was, the whole process."

You can't get better than that

"Sharon and Pooja were absolutely wonderful, amazing consultants. I've even referred my friend to them. You can't get better than that!"

Want to check in on your retirement strategy?

Book a time with a HESTA adviser today at hesta.com.au/advice

performance

In a challenging year for global markets, HESTA is still delivering strong long-term returns.

The end of financial year 2022 returns are in, and over the long term, HESTA investment performance has remained strong.

Our Balanced Growth (Super) option has delivered an average of 8.53% p.a. over the past 10 years, up to 30 June 2022*, and Balanced Growth (Income Stream) has delivered an average of 9.04% p.a. for the same period.

More recently, rising inflation, rising interest rates and geopolitical tensions have created challenging conditions for investors everywhere.

Over the short term, it has been a challenging year for the world's investment markets.

This year, Balanced Growth (Super) has returned -1.79% - its first negative return since the 2009 Global Financial Crisis.

Balanced Growth (Income Stream) returned -4.09%.

We know this is not what you're used to seeing. But we do prepare for some negative annual returns as a natural part of investing. And HESTA still delivered good results compared to balanced options in many other funds.

When markets move, it's natural to feel concerned about the impact on your balance. But super is a long-term investment and even in retirement, many members have a long investment horizon.

When markets move, it's natural to feel concerned about the impact on your balance. But even in retirement, many members have a long investment horizon.

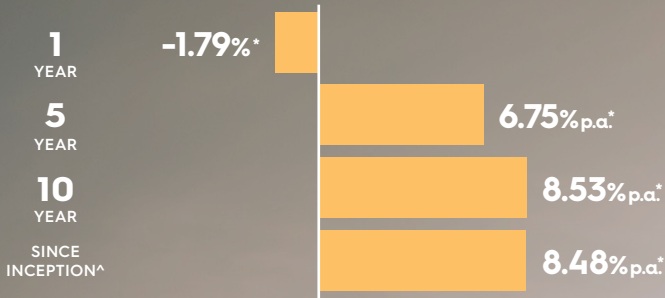
Like to check in on your strategy?

Visit our **Retirement Hub** to make a time to chat with our expert advisers at hesta.com.au/retirementhub

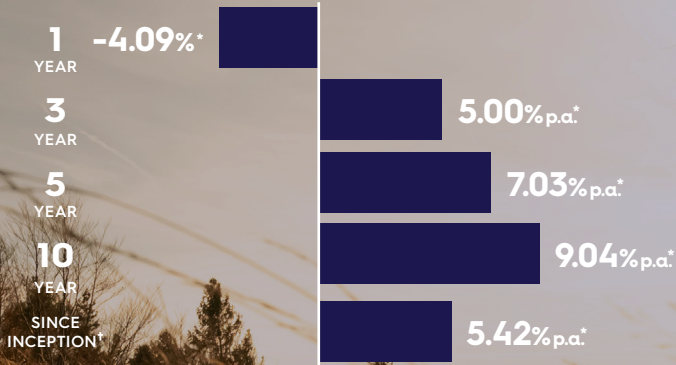
See how all HESTA options performed this year at hesta.com.au/performance



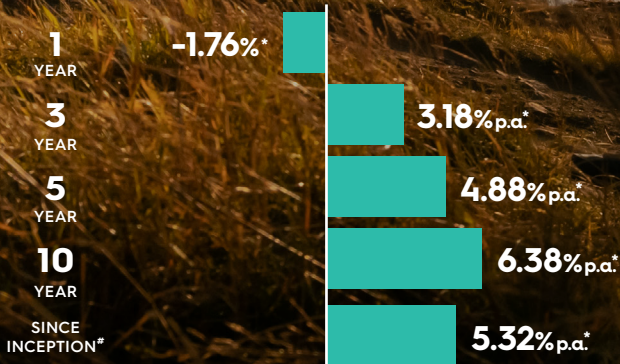
Balanced Growth Super and Transition to Retirement** returns to 30 June 2022



Income Stream Balanced Growth**



Income Stream Conservative**



* Annualised returns for the period. Investments may go up or down. Past performance is not a reliable indicator of future performance. The returns shown are net of investment fees and costs, transaction costs and taxes.

** Balanced Growth is the default option for HESTA Super, while a blend of Balanced Growth and Conservative is the default strategy for the HESTA Income Stream.

[^] Commenced 1 August 1987.

[†] Previously named Balanced. Commenced 12 December 2007.

[#] Commenced 12 December 2007.

wellness after work

We ask an expert in retirement wellbeing to share his tips for a happy and well-adjusted retirement.

Whether you sail in smoothly or have to stop work suddenly: retirement is a big change.



Psychologist and author Humphrey Armstrong has spent years researching what it really takes to fully enjoy life after work – and some of his findings might surprise you.

So what are Humphrey's tips for making the most of your best years, no matter what your situation?

A sense of control

"Your ability to turn setbacks into opportunities, to be a creative opportunity-finder and problem-solver, and your willingness to keep learning and adapting is key," Humphrey says.

Sources of identity beyond work.

"If you have been intensively involved in your work over many years, a large part of your identity may have been derived from your job. If this sounds like you, the next tip may hold the answer."

Strong and diverse social supports.

"Social isolation is becoming one of the emerging problems of high-rise city living, especially for single retirees compared with the rich social life of living and retiring in a small country

town or village-style neighbourhood. Having a close supportive family and group of friends is key to building up the resilience to manage health challenges and other setbacks, like not being able to drive, that come as we transition through our eighties."

Keeping active, fit and healthy.

"This has also been shown to greatly contribute to our mind and memory functioning. Now is the time to build regular exercise, from walking to swimming or playing golf or tennis, into your day."

Purposeful activities.

"Having meaningful things to do is not only something to personally look forward to, but has a secondary benefit of creating, building or providing a service for others. Examples include volunteering to help build and set up a community garden or cook for a social gathering. Unlike routine chores, purposeful activities have been shown to prevent feelings of meaningless and depression."

Having someone (or something) to love.

"From grandchildren to a pet, having someone special in your life can keep you connected and fulfilled."

Having something to look forward to.

"This could be as simple as catching up with a friend or as exciting as an overseas holiday."

"Clearly, having enough income and a place to call home is vitally important, but there are also many financially well-off people who really struggle with boredom and depression in their senior years. Equally, there are many living off meagre financial resources who enjoy amazingly connected, creative and contented lives."

Psychologist and author
Humphrey Armstrong

Getting ready for your next move?

Our Retirement Hub offers expert advice on your options, including help applying for the Age Pension, at hesta.com.au/retirementhub

More tips for a happy and fulfilling retirement?

Take an interactive journey through the questions members like you are asking, and hear answers from our expert team, with our new 'Super Questions Answered' tool at

hesta.com.au/superquestionsanswered



contribution to maternity care



We are thrilled to shine a light on our 2022 HESTA Australian Nursing and Midwifery Awards finalist Teresa Walsh.

Now in its sixteenth year, the prestigious Awards program recognises Australia's nurses, midwives, nurse educators, researchers and personal care workers for their contributions to improving health outcomes.

Teresa was recognised for her contribution to maternity care and innovation through establishing one of the first private midwifery practices in the country, New Life Midwifery.

Reflecting on her more than three decades in midwifery, Teresa says reforms HESTA Chair, the Honourable Nicola Roxon, led when Minister for Health and Ageing, were vital to getting her practice started.

The reforms extended the Medicare Benefit Schedule and Pharmaceutical Benefit Schedule rebates to services provided by midwives working in collaboration with doctors.

“Nicola’s reform work as Health Minister made it possible for women to choose a private midwife to provide continuity of care for the entire journey of pregnancy, birth and six weeks postnatal.”

Midwifery Awards finalist
Teresa Walsh

An industry trailblazer, Teresa has taken on many representative advocacy roles to enhance the midwifery sector and maternity services in Australia.

See who else we’ve
celebrated this year at
hesta.com.au/awards



investments with **impact** affordable housing

Having a home to call your own is a key factor in financial wellbeing, especially for retired Australians. As a HESTA member, you're investing in solutions that help increase the supply of affordable housing in Australia while delivering returns for you.

HESTA has invested in the National Housing Finance and Investment Corporation's (NHFIC) first Sustainability Bond, which raised funds to help construct new social and affordable housing by providing cheaper, longer-term financing.

The investment will help deliver close to 600 social homes, 450 affordable and private rental homes and 50 supported disability accommodation places across Victoria.

We have also invested in NHFIC's Social Bond issuance, helping low income and vulnerable Australians access affordable housing.

You can be proud

Super funds can play a role in helping to improve the supply of affordable housing for Australians through investing in this area. HESTA is pleased to be one of the enablers of this critical infrastructure while delivering strong and sustainable returns to help our members grow their super.

Find out more at hesta.com.au/impact



cultural heritage protection

HESTA is proud to partner with the First Nations Heritage Protection Alliance (FNHPA) and National Native Title Council to support stronger protection of cultural heritage.

Responsible investors, including HESTA, are developing relationships with First Nations organisations and leaders to learn about relationships with companies and governments from their perspective.

This helps investors identify core issues, then engage with companies and governments to improve standards, which will ultimately reduce investment risk.

Why partner with the FNHPA?

The FNHPA is a coalition of First Nations organisations that came together after the destruction of the Juukan Gorge heritage site. The alliance focuses on creating reforms to properly protect and celebrate First Nations' cultural heritage in Australia, and has provided valuable insights to HESTA that help inform us on issues between First Nations peoples and the mining sector.

It also reveals the challenges First Nations people face in protecting cultural heritage as a result of state and federal legislation that is not aligned with international standards.

HESTA is a member of several working groups led by the FNHPA. These groups are working together to build strong partnerships and deliver resources that can guide investors and businesses to engage with First Nations Peoples more respectfully.

Right for our community, right for you

Responsible investors including HESTA will continue to work closely with First Nations organisations. It's a powerful way to make a positive impact and help protect the value of your super investments now, and into the future.

Find out more at hesta.com.au/impact

5 minutes with Josh



HESTA Chief Advice Officer is dedicated to helping members get the right help with their retirement savings. We asked him a few burning questions on your behalf...

Of all the questions members have asked you and your team over the years, what are the top three that come up?

Of course, working in superannuation, a lot of the focus of our members' questions is on retirement. In particular, how much do I need to have in my account, how should I be investing my money and when will it run out? As each member's circumstances are different, the best answer is to access some of the helpful advice resources at HESTA.

Markets are going through a tricky period. What would you say to a member who's wondering how this might impact their money?

We try to refocus their attention back to the longer term and to ignore the short-term noise. While acknowledging volatility is quite unnerving, these periods in markets are normal, and HESTA is skilled and experienced

in navigating these 'tricky periods' to achieve longer-term investment returns.

Many HESTA members want to keep working well past retirement.

How can they sort through their options?

Retirement income can be sourced in a variety of ways, whether it's HESTA Income Streams, Centrelink Age Pension, employment income, investment income or even foreign pensions. Your HESTA Advisers are experts in navigating the complexity of different retirement income sources and can explain how these can all work together.

People are pretty time poor these days. How is HESTA making it easier for members to get help whenever they need it?

HESTA recognises how busy our members are in their daily lives and we try to be as helpful as possible. Whether you call us, see us in your workplace, attend

a seminar, schedule a personal advice appointment or use one of our digital offerings such as Member Online, Future Planner, online webinars or on-demand videos: all these services are available to assist you when you're ready.

What is the best piece of advice (financial and personal) you've ever been given? (and who gave it to you?)

I read a book when I was young titled *The Richest Man in Babylon* and its fundamental message - of consistently saving one tenth of your hard-earned money, and the power of compound interest on your savings - really resonated with me. And this principle, funnily enough, is a key aspect of how super works today.

Like to talk to Josh's team? Visit hesta.com.au/advice

HESTA

Super with impact