HESTA Income Stream

product disclosure statement

1 October 2019

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HESTA

10 investment options tailored to members who are approaching or in retirement

Ready-Made Investment Strategy designed to reduce investment risk

advice when you most need it

hello

1300 734 479
hesta.com.au/incomestream

low fees and **clear investment goals**

what's inside?

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If you intend to invest in the HESTA Income Stream, you must use the application form provided in the current PDS. We are not required to accept your application.

A 14-day cooling-off period applies to your initial investment in the HESTA Income Stream.

This PDS sets out the main services, features, benefits and risks of the HESTA Income Stream. Before making a decision about HESTA products you should read the relevant Product Disclosure Statement, and consider any relevant risks (**hesta.com.au/understandingrisk**). This PDS does not constitute an offer in any jurisdiction other than Australia.

The information in this PDS 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. You should be aware that the value of your investment may rise or fall. If you leave HESTA, you may get back less than the amount invested because of the level of investment returns earned by HESTA, charges and any impact of tax.

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About this PDS. This PDS gives you important information about the features, benefits, costs and risks of the HESTA Income Stream, including: how you can use the product, your investment options, fees and charges, important information about tax and other regulatory matters. Please keep a copy of the PDS for future reference. The information in this PDS is current at the time of preparation. It may change due to amendments to legislation or regulations, HESTA rules or other reasons. Please dispose of any old copies of the PDS as the information contained in them may have changed. For the most up to date information, visit **hesta.com.au** email **hestais@hesta.com.au** or call 1300 734 479.

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HESTA income stream – a quick guide…

Question	Summary	Page
Income stream … what is it?	An income stream is a flexible way of accessing regular payments from your super. You may access payments leading up to retirement under transition to retirement rules or during retirement.	4
Is there a minimum investment?	Yes, there is a minimum investment of $50,000.	5
Preservation age: what age can I access my super?	**Preservation age** is the age at which you can access your super benefits because you have retired permanently from the workforce or you satisfy a condition of release. You must have reached your preservation age to open an income stream.	5
Is there a maximum investment?	While there is no maximum amount for a transition to retirement income stream, the government has imposed limits on the amount that can be transferred into retirement phase accounts, like the HESTA Retirement Income Stream, without incurring a penalty. Unless an exception applies, the limit for the 2019/20 year of income is $1.6 million.	7-8
Do I have to be retired?	No. If you've reached your preservation age, you can continue working – full or part time – and start a transition to retirement (TTR) income stream.	6-9
What are my options?	A HESTA Income Stream can help you build your super while you're still working or provide a regular income when you've retired.	
	Transition to retirement using a HESTA TTR Income Stream ✓ Continue working full-time and boost your super for retirement, by continuing to contribute to super (see Option 1 on page 6). ✓ Reduce your working hours without reducing your income – by topping up your employment income with income from your super.	6-7
	Retire fully using a HESTA Retirement Income Stream ✓ Stop paid work and access a regular income from your super. ✓ Automatically receive the HESTA Retirement Reward if you're eligible.	8-10
Can I choose where my money's invested?	Yes, you can select our Ready-Made Investment Strategy or create your own strategy from a choice of 10 individual investment options.	11-33
How can I access my money?	You decide how much you receive and how often, within government limits. You can be paid fortnightly, monthly, quarterly, half yearly or yearly into a bank, building society or credit union account in your name.	43-47
Can I withdraw my money at any time?	Yes, if you have a HESTA Retirement Income Stream. If you have a HESTA TTR Income Stream, withdrawals are restricted.	46
What happens to my money when I die?	You can nominate who you'd like to receive your remaining account balance on your death. You can make a non-binding, binding or reversionary beneficiary nomination.	47
Can I manage my account online?	Yes, we provide 24-hour secure online access.	52
What tax applies?	If you have a HESTA TTR Income Stream, earnings on investments are taxed at up to 15%. If you have a HESTA Retirement Income Stream, there is no tax on earnings.	34

income stream... what is it?

An income stream is an investment product that provides regular income payments for a period of time.

An income stream is sometimes referred to as an account-based pension and can be a flexible way of accessing your super in the lead up to, or after retirement.

An income stream provides regular payments from money you have accumulated in super, available to you after you have reached preservation age (see page 5).

There are two options for a HESTA Income Stream

The HESTA Transition to Retirement (TTR) Income Stream
(available while you still work)

When you transition to retirement, an income stream account is opened alongside your super account. You continue to receive contributions from your employer into your super account, increasing your balance and earning investment returns. Your TTR Income Stream account gives you regular payments directly into your bank account.

This strategy lets you:

- boost your super account balance while you continue working (see Option 1 on page 6)
- reduce your working hours without reducing your income
- continue receiving a regular income paid directly to your bank account (within government limits)
- pay only up to 15% tax on investment earnings (instead of your usual tax rate)
- receive tax-free income payments from age 60 (tax offsets available before age 60).

The HESTA Retirement Income Stream
(available after you retire or when you meet other conditions of release see page 5). It allows you to:

- access tax-free income payments from age 60 (tax offsets available before age 60)
- make tax-free investment earnings on Retirement Income Stream investments
- have flexible payment options (within government limits)
- receive a regular income paid directly to your bank account.

Choose our Ready-Made Investment Strategy or create your own strategy from a choice of 10 professionally-managed investment options, for both types of income stream (see pages 22-28).

Any remaining account balance can be paid to your chosen beneficiaries after your death (see pages 47-49 for further details on nominating a beneficiary).

Am I eligible to open a HESTA Income Stream?

By law, super benefits must generally be set aside to fund your retirement. This means they must be kept within a complying super or rollover fund until a condition is met for benefits to be paid. To be eligible to open a HESTA Income Stream, you need to:

- have reached your preservation age
- have a minimum of $50,000 to invest.

Conditions of release

The type of HESTA Income Stream you can invest in will depend on what condition of release you have met.

To open a HESTA TTR Income Stream, you must have:

- reached your preservation age and continue to work part-time or full-time (or intend to keep working).

To open a HESTA Retirement Income Stream, you must have:

- reached your preservation age and fully retired
- ceased an employment arrangement on or after age 60
- be age 65 or over, or
- be permanently incapacitated (see 'What's permanent incapacity?' on page 58 for full details), or be terminally ill.

If you meet one or more of the above conditions, you may be able to start accessing your super through a HESTA Income Stream.

Preservation age: what age can I access my super?

Your preservation age is the age at which you can generally start accessing your super. The age varies according to your date of birth.

Date of birth	Preservation age
Before 01/07/60	55
01/07/60 – 30/06/61	56
01/07/61 – 30/06/62	57
01/07/62 – 30/06/63	58
01/07/63 – 30/06/64	59
After 30/06/64	60

If you've reached your preservation age and would like to access an income from your super while you work, you may be eligible to open a TTR Income Stream account.

Once you fully retire, reach age 65 or meet another condition of release, you will have access to more flexible payment rules and tax benefits on earnings (see page 8).

You can only invest in a HESTA Income Stream by rolling over a benefit from a super fund or from another income stream (including HESTA).

what's a complying fund?

A complying fund is one that qualifies for concessional tax rates – that is, reduced rates of tax compared to tax on salaries. Only a regulated super fund that meets the government's operational standards can be a complying fund.

what are my options?

There are two options available for HESTA Income Stream members. The option you choose will depend on what stage you're at and whether you're ready to fully retire or would like to keep working and prepare for the future.

Option 1

Transition to retirement

Key benefits of a HESTA TTR Income Stream

- available if you have reached your preservation age and would like to access some of your super while you continue to work (see page 7)
- you don't have to stop work
- you can continue contributing to super if you're still working
- payments from your income stream are concessionally taxed (ie not taxed at your marginal rate) before age 60 and tax free from age 60
- there are no restrictions on the amount of work you can do, or your level of income.

Things you need to know

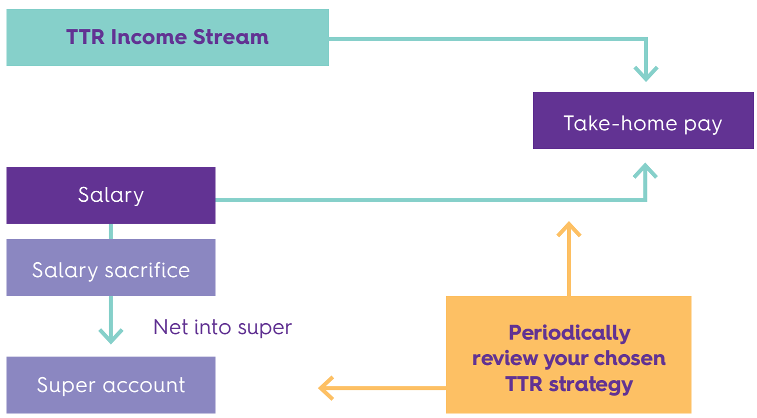
- A TTR Income Stream is non-commutable. This means you can't make lump-sum withdrawals until you reach age 65 or meet another condition of release
- You can't receive more than 10% of your account balance in one financial year
- Investment earnings are subject to up to 15% tax. This will be deducted before investment unit prices are declared

This is the case unless your super has an unrestricted non-preserved component or until you satisfy a condition of release.

How TTR can work

Open a HESTA TTR Income Stream account to provide you with payments (from your super savings) to replace the income you've used to make your salary sacrifice contributions.

Use your super account to continue receiving contributions from your employer and to make extra super contributions from your before-tax pay (known as salary sacrifice).



Work full-time and boost your super

If you've reached your preservation age and you're still working – either full or part time – a HESTA TTR Income Stream can help you boost your super balance for when you eventually retire.

It lets you restructure the way you receive your income so your take-home pay stays the same, but your super balance grows.

Reduce your working hours without reducing your income

If you're not ready to stop working but would like to cut back your work commitments, a TTR Income Stream could allow you to reduce your hours – without reducing your income.

It can help you top up the income you forego when reducing your hours, with an income from your super. Depending on your personal situation, you could even end up with the same after-tax income as you enjoyed when working full-time – with less work commitments.

Resetting or 'rebooting' a TTR strategy

It's important to periodically review your chosen TTR strategy to ensure it continues to be as tax efficient as possible and still suits your personal circumstances.

Resetting your TTR strategy is sometimes called a 'TTR reboot'. You cannot put any more into your TTR Income Stream once it is set-up. So in the event that you want to put more of your super in, you would need to set up a new TTR account (reboot).

What's involved in a TTR reboot?

A TTR reboot simply means you transfer or 'roll back' the balance of your HESTA TTR Income Stream into your HESTA super account, and then close that income stream account.

Opening a new income stream account allows you to combine the balance of your previous income stream account with the balance you have accumulated in your HESTA super account while you've still been working.

What are the advantages?

You may then have a larger balance in the HESTA Income Stream environment.

The government imposes minimum and maximum drawdown limits based on a percentage of the balance of your HESTA Income Stream account. By rebooting, you can potentially access a higher income from the income stream and contribute more into super.

TTR strategies can be complicated. We suggest you seek advice specific to your individual circumstances before changing your TTR strategy.

There is no limit on how much you can invest in a TTR account. However, if your total super balance is more than $1.6 million you will not be able to make any further after-tax contributions to super (ie from your take-home pay or savings).

What happens when I meet a condition of release?

When you meet a condition of release (see page 5) you need to move into the HESTA Retirement Income Stream. This means your investment options will move into an untaxed environment and you will have no limits on how much you can withdraw. However, you will have a limit on how much you can hold in a HESTA Retirement Income Stream and may be required to either withdraw or transfer back into super any amount in excess of $1.6 million. For further details on how the HESTA Retirement Income Stream works see page 8.

When you reach age 65, your TTR will automatically move into the HESTA Retirement Income Stream. For other conditions of release (such as when you permanently retire from the workforce after your preservation age), you will need to notify us that you have met the condition of release.

Option 2

Retire fully from paid work – and enjoy greater flexibility

Key benefits of a HESTA Retirement Income Stream (RIS)

- flexibility to withdraw lump-sum payments
- continue to receive a regular income after you retire
- investment earnings (accessible after age 65 or when you retire permanently from the workforce, or have met another condition of release) are generally tax free, whereas investment earnings from a super account or transition to retirement income stream are subject to up to 15% tax
- payments from your income stream are concessionally taxed before age 60 and tax free from age 60.

A Retirement Income Stream is for:

- people who have reached age 65 or met another condition of release (explained on page 5)
- people who have been using a TTR Income Stream while continuing to work, who are now ready to stop working. When you are ready to retire, contact us on 1300 734 479 to help you convert your TTR Income Stream into a Retirement Income Stream so you can enjoy the benefits of untaxed investment earnings.

If you've met a condition of release, a HESTA Retirement Income Stream can help you manage your super to make the most of your savings. A retirement income stream can provide a regular income during retirement, in place of a salary from employment and complement the Age Pension if you are eligible to receive it. When taken as regular income payments, the money in your retirement income stream remains invested and the investment earnings are generally tax free.

Things you need to know about

The maximum amount you can transfer into the retirement phase* of an income stream is $1.6 million or your transfer balance cap**, without incurring a penalty. This maximum applies to the total balance across all your income streams.

***What is the retirement phase?**

The retirement phase of an income stream is the phase when investment earnings are untaxed. A TTR Income Stream is not in the retirement phase because investment earnings are taxed at up to 15% (see page 20).

****What is a transfer balance cap?**

The transfer balance cap applies to everyone and depends on how much money you have invested in the retirement phase. For the 2019/20 year of income, the transfer balance cap is $1.6 million. There may be some exceptions that apply. The transfer balance cap of $1.6 million will increase from time to time in $100,000 increments in line with movements in the CPI each year. The cap applies to all your retirement phase accounts. You can check your transfer balance cap at **mygov.gov.au** For more information visit **ato.gov.au**

Centrelink income test deeming arrangements were extended to new superannuation account-based income streams started from 1 January 2015. If you started your income stream prior to this date, you will continue to be assessed under the old rules and should seek advice before making any changes to your income stream, such as rebooting.

What happens if my Retirement Income Stream exceeds the transfer balance cap?

If your retirement income stream exceeds your transfer balance cap, the ATO will send you a request to withdraw the excess from your account. If you do not respond, the ATO may request HESTA to withdraw an amount on your behalf. If we receive a notice we will attempt to contact you within 60 days. If we are unable to contact you, HESTA is required to comply with the commutation request and will transfer the amount into a HESTA Personal Super account. Your transferred funds will be invested in investment options that as closely as possible resemble your Retirement Income Stream investment options. To find out more about HESTA Personal Super please read the Personal Super PDS at **hesta.com.au/pds**

What if I need a little extra to top up my income stream in retirement?

If you're ready to retire, but don't have enough, you may be able to combine your income stream payments with the Age Pension, depending on your assets and income.

Am I eligible for the Age Pension?

To qualify for the Age Pension, you must meet Centrelink's age and residence requirements.

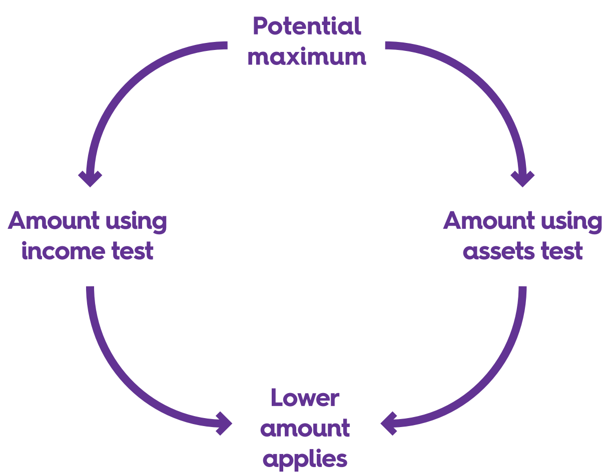
Age Pension eligibility depends on when you were born. Women born before 1 January 1949 reach qualifying age at 64 and a half, and women born between 1 January 1949 and 30 June 1952 at age 65. Qualifying age for men born before 1 July 1952 is age 65.

On 1 July 2017, the qualifying age for the Age Pension increased to 65 and a half years and will rise by six months every two years, reaching 67 by 1 July 2023. Refer to the following table.

Date of birth	Qualifying age
1 July 1952 to 31 December 1953	65 years and 6 months
1 January 1954 to 30 June 1955	66 years
1 July 1955 to 31 December 1956	66 years and 6 months
From 1 January 1957	67 years

If you're eligible, Centrelink will work out the Age Pension payable to you using its assets and income tests.

The test resulting in the lower benefit amount (or zero) will apply.



Age Pension assets test

The assets test allows you to hold a certain level of assets to qualify for the maximum pension amount. Your family home and up to two hectares of surrounding land aren't included in the assets test. If you don't own your home, you can have more assets before your pension is affected. Your HESTA Income Stream is counted as an asset for the assets test.

Age Pension income test

The income test allows you to earn a certain level of income before it affects Age Pension benefits. For example, you may generate an income from a rental property, employment or your regular income stream payments. All of these elements are included in the Age Pension income test. Earnings from financial investments are also included in the income test. Centrelink applies a 'deemed' earning rate to your financial investments, which is an assumed rather than actual rate of return.

To see if you're eligible for the Age Pension and to find out the most current income and assets test thresholds, visit humanservices.gov.au or call 13 23 00.

retirement reward

When you take up a HESTA Retirement Income Stream, you may be eligible to receive the HESTA Retirement Reward.

The HESTA Retirement Reward is actually a tax saving. And we want to pass it on to you when you retire.

And you don't even need to apply. The Reward is automatically added to your account when you openit, whether you move from a HESTA Super or HESTA Personal Super account or a HESTA Transition to Retirement (TTR) Income Stream account.

Are you eligible?

You'll receive the Reward if:

- you take up a HESTA Retirement Income Stream;
- you have held a HESTA super or TTR account for six months or more, and;
- you've been invested in one or more of the following investment options for six months or more.

Super	TTR
Australian Shares	Australian Shares
Conservative Pool	Conservative
Core Pool	Balanced
Eco Pool	Eco
International Shares	International Shares
Private Equity	Defensive
Property	Property
Shares Plus	Active
Infrastructure	

How much will you get?

Before you apply for a HESTA Retirement Income Stream, we can estimate the Reward for you. You can find out how much you can receive by calling us on 1300 734 479.

The amount you'll receive depends on:

- which option(s) you're invested in;
- how long you have been invested in your investment options;
- your balance history in each investment option;
- how much you transfer into your new retirement income stream; and
- the Fund's tax position at the time you transfer into a HESTA Retirement Income Stream.

Does the HESTA Retirement Reward count towards my concessional contribution cap?

No, the HESTA Retirement Reward won't count towards your concessional contribution cap.

Does the HESTA Retirement Reward count towards the $1.6 million cap?

Yes, your HESTA Retirement Reward will count towards the Transfer Balance Cap of $1.6 million. The Transfer Balance Cap is the limit on the total amount of superannuation that can be transferred into the retirement phase.

You will need to make sure that the amount you transfer from your super or TTR account, plus your HESTA Retirement Reward and any other money you may hold in other retirement phase products, doesn't exceed this cap.

Claw back

If you redeem more than 50% of the opening balance in the first six months, the Trustee reserves the right to claw back the total HESTA Retirement Reward.

If your close your account in the first six months of joining, the Trustee reserves the right to deduct the total HESTA Retirement Reward from the balance before the remainder is paid to you.

Visit **hesta.com.au/retirementreward** for more about the HESTA Retirement Reward.

investing your savings

HESTA Income Stream offers you a range of investment choices. The investment choice you make will depend on your personal circumstances and tolerance for risk.

Choosing the right investment for you

Determine which investment option best meets your needs

how long you want **your investment to last**

the length of time you **intend to invest**

how much **risk you're willing to accept**

your **desired return**

how **often you intend to withdraw funds**

whether you want to invest in a Ready-Made Investment Strategy or create your own strategy from a range of investment options

your guide to investment terms

Alpha

Alpha is a measure of an investment or investment portfolio's performance against a benchmark. An active manager (see Passive versus active management definition) will aim for positive alpha returns, meaning they aim to outperform a particular benchmark. For example, an active manager investing in Australian equities will aim to outperform an index such as the Standard and Poor's (S&P)/Australian Securities Exchange (ASX) Australian All Ordinaries index. In other words, Alpha is the additional returns achieved above the Beta (see Beta definition) return of the market.

When an active manager achieves Alpha, they often expect to charge a higher fee for this outperformance (see Passive versus active management definition).

Asset

Something that can be held or sold for the purpose of earning a return.

Asset classes

A group of similar assets. The main asset classes include shares, debt, property and cash. Each asset class has a different level of expected risk and return.

Asset allocation ranges

These allow us to make adjustments to how we invest. For example, if a downturn in the share market seems likely, we may reduce exposure to shares in favour of cash to protect returns over that period.

Beta

A common use of the term Beta refers to the return of a particular market or index. For example, if you want to invest in the Australian equities market, then this use of the term 'beta' would describe the return from the S&P/ASX All Ordinaries Accumulation index.

An investment's Beta return is that part of the investment's performance that is deemed to be attributable to the overall market returns. An investment manager who aims for returns very close to a market index is targeting the beta return. This type of strategy is known as passive investing (see Passive versus active management definition). Our investment options, where appropriate, include investments in passive portfolios, as the investment costs on passive portfolios are generally very low.

Cleantech

Currently, Eco's Private Equity investments are in Cleantech. Cleantech refers to companies that deliver products or services that generate environmental benefits through significant reduced reliance on fossil fuels, reduced use of energy and resources, reduced or eliminated emissions and wastes or other environmental protections principally in the energy, water, waste, transportation, agriculture and manufacturing sectors.

Compound interest

The snowballing effect of earning interest on your accumulated interest. Interest is calculated on both the principal (your account balance and contributions) and the interest that has already built up. Interest may be positive or negative. Over time, the size of your interest earnings on past contributions may grow to be larger than the contributions themselves.

Currency hedging

International investments are vulnerable to changes in the value of the Australian dollar. Currency hedging means locking in the price for a future purchase or sale of currency to help reduce the effect of these changes. While a currency hedge can decrease potential loss, it can also reduce potential profits.

See *HESTA Income Stream's investment policies* (page 33) for more information.

Diversification/balanced asset mix

A strategy that spreads investments across a variety of asset classes to help reduce the impact of underperformance by any one class. Each asset class behaves in a different way. As one rises in value, another may fall. By carefully balancing the relationships between asset classes, managers can produce a portfolio with a lower risk for the targeted level of return. This strategy is used to manage many diversified portfolios including the HESTA Income Stream's diversified investment options (see pages 24-28).

Responsible investment

Responsible investment is an approach to investing that explicitly incorporates consideration of environmental, social and governance (ESG) into investment decisions, to better manage risk, generate sustainable, long term returns and create positive impact. This investment approach involves managers explicitly considering these issues when making investment decisions. See *HESTA Income Stream's investment policies* (page 30) for more information.

Indices

HESTA uses a variety of indices to form investment objectives for its Single Asset Class investment options.

Bloomberg AusBond Bank Bill Index

Bank Bills are short term money market investments issued by a bank with maturities usually between 30 days and 180 days. The Bloomberg AusBond Bank Bill Index is constructed as a benchmark to represent the performance of a passively managed short term money market portfolio. It is comprised of 13 Bank Bills of equal face value, each with a maturity seven days apart. The average maturity of the index is approximately 45 days.

Consumer Price Index (CPI)

CPI is a measure of quarterly changes in the price of everyday goods and services – ie groceries, transport, medical care etc. It's calculated by the Reserve Bank of Australia (RBA) using price changes for each assessed item and averaging them. Changes in CPI are used to measure changes in the cost of living.

MSCI World ex Australia Index

The Morgan Stanley Capital International (MSCI) World (excluding Australia) tracks large and mid-cap shares from developed market countries.

MSCI Emerging Markets Index

The Morgan Stanley Capital International (MSCI) Emerging Markets tracks large and mid-cap shares from emerging market countries.

S&P/ASX 300 Accumulation Index

Standard and Poor's (S&P) in collaboration with the Australian Securities Exchange (ASX) provide this index. It includes up to 300 of Australia's largest securities by float-adjusted market capitalisation. The index assumes that all dividends are re-invested, so it measures both price growth and dividend income.

Passive versus active investment management

Investment options are managed by a combination of passive and active managers, depending on each option's strategy. Passive investment management aims for returns very close to a market index (see Beta definition). Active investment management is more aggressive, trying to outperform the market by researching, monitoring and choosing investments that the managers believe can deliver a better return than the market index (see Alpha definition).

Active managers often expect to charge a higher fee for this outperformance. An investor will pay higher fees using active strategies. If outperformance is achieved, however, the investor should also benefit from higher returns net of any fees paid.

HESTA only employs active managers where we believe they can achieve sufficient outperformance to justify the higher fees that they charge.
It is important when considering an investment option to not only look at the investment costs but also the long term performance. Where appropriate, investment options are managed by a combination of active and passive managers.

Portfolio

A range of investments across a group of asset classes, managed together as a portfolio to achieve a single performance objective.

Short selling

A strategy that can be applied to many asset classes, in which shares and other assets are borrowed and sold with the aim of buying them back at a lower price to generate a profit. We allow short selling of shares in line with government regulations, as they provide an opportunity to profit from falling, as well as rising, prices. Short selling can help lower the risk of HESTA investment options that include shares.

Strategic asset allocation

The proportion of each HESTA investment option that may be invested in each asset class to achieve the option's long term risk and return objectives. The strategic asset allocation is the main influence on the expected return of any investment.

asset classes we invest in

Each investment option contains one or more of the asset classes described below:

Asset class	Description*	Risk and return characteristics
Cash	Money invested in: • short-dated term deposits • bank bills and Negotiable Certificates of Deposits • cash-like instruments with high liquidity.	• all returns expected from income • very stable lower-risk investment • fairly consistent returns • lowest long term rate of return • defensive asset.
Global Debt	Government Bonds • government and government related bonds paying a fixed income annually – can be bought or sold, earning capital gains or losses as well Credit • corporate fixed and floating rate securities, asset backed and securitised structures with returns generated by yield and/or capital gains or losses associated with sales.	• expected low level of risk and returns • returns earned primarily from income • generally considered defensive assets • credit securities are predominantly investment grade in quality.
Property	• includes investments in office buildings, industrial warehouses and shopping centres • returns generated from rental income and capital growth, giving assets both defensive and growth characteristics.	• can earn better returns than cash or global debt • may be more volatile • defensive property is expected to earn most of its returns from rental income and has a moderate level of risk • growth property expected to earn most of its returns from capital gains • considered moderate to higher-risk investment.
Infrastructure	• includes roads, airports, power generation and other key community assets • can take many forms, including direct ownership (equity) in a development, operating business or asset • can also include loans to a participant in a development project • has growth and defensive characteristics i.e. returns from both ongoing income and capital growth.	• returns vary depending on type of asset • can generate better returns than cash, global debt and property • can also be more volatile • defensive infrastructure is expected to earn most of its returns from income and has a moderate level of risk • growth infrastructure is expected to earn most of its returns from capital gains • considered moderate to higher-risk investment • HESTA reduces risk by investing in existing operating businesses and a diverse range of assets.

*Actual investments in an asset class may include some or all of the types of investments described for that asset class at any given time.

Asset class	Description*	Risk and return characteristics
Australian & International Shares	• listed shares (equities) provide ownership interest in a company • can be diversified across industries and countries • returns come primarily from capital gains (increase in share price) • a smaller proportion of return is derived from income (dividends) • typically considered as growth investments.	• Australian shares account for a small percentage of the world share market but represent an important source of returns for the HESTA portfolio • international shares represent developed and emerging markets, and provide exposure to foreign currency and the related diversification benefits • emerging markets can offer a chance of higher returns but tend to have a higher risk profile than developed economies • as listed shares are typically more volatile than other asset classes, they are the main contributor to a diversified portfolio's total risk • may produce more volatile (potentially negative) returns over the short term • over the long term shares are expected to earn higher returns than cash, global debt, property or infrastructure.
Private Equity	• predominantly investments in unlisted companies (i.e. not on stock exchange).	• returns primarily from capital gains • strategies may target higher returns over medium term or longer term • less liquid (not easily traded) and investment style longer term • considered higher-risk investment.
Alternatives	• alternatives includes a range of strategies designed to provide diversification to the portfolio over the economic cycle.	• return and risk expectations are moderate and expected to have a low correlation over a cycle to traditional markets • returns rely on the performance of certain identifiable characteristics/factors.

*Actual investments in an asset class may include some or all of the types of investments described for that asset class at any given time.

understanding risk and return

Risk – the chance the amount earned (the returns) on your investments is different (higher or lower) than what you expect.

Return – how much you earn on your investment.

An investment's value reflects the value of its underlying assets. This can change as the market value of those assets rises or falls or, for some investments, as you receive income from that investment. Investing always involves some degree of risk. The level of risk will depend on the nature of the underlying investments and the approach taken to achieve a return.

Your attitude to risk

Before choosing an investment strategy consider how prepared you are for fluctuations in your investment returns and account balance. Your attitude to risk is likely to change over time. You should regularly review your investment strategy to make sure it still meets your needs.

Some investments have a higher return, does this mean they might involve more risk?

Generally, the higher the expected return for an investment, the higher the investment risk.

Standard Risk Measure – probable number of negative returns

The probable number of negative returns over 20 years is calculated in accordance with a Standard Risk Measure that all super funds are required to use. This measure is designed to make it easier for members to compare investment options.

The Standard Risk Measure describes risk based on how many negative annual returns you can expect over 20 years. This Risk Measure shows an estimate of the number of times a negative return may be experienced over a 20 year period, but it doesn't estimate the frequency. For instance, two negative annual returns could be experienced successively over 20 years.

Risk level

The risk level relates to the Standard Risk Measure. This allows you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The Standard Risk Measure is forward looking and uses a range of capital market assumptions (return, correlations and volatility) for each asset class. These assumptions are informed by historical investment information. Real investment performance may differ from this theoretical modelling and past performance is no guarantee of future investment returns.

While designed to help you better understand the potential risk of an investment option, the Standard Risk Measure does not assess all forms of investment risk. For example, the Risk Measure doesn't show you:

- how big a negative return might be
- if returns will meet your investment objectives
- the impact of fees and costs on your return, and
- other investment risks, such as market risks, liquidity risk and credit risk.

You should ensure you are comfortable with the risks and potential losses associated with your chosen option.

Types of investment risk

All investing carries varying degrees of risk, depending on the nature of the underlying investments and the approach taken to achieve each investment's objective.

Risk	Explanation
Market	Includes factors that affect investment markets, like domestic and international economic conditions, interest rates, exchange rates, inflation, government policy, current valuation levels and market sentiment. These factors can affect various investments differently at different times or may have an impact on returns from all investments in that market.
Company	Unexpected changes in a company's operations or business environment may affect the value of an investment in that company.
Country	Investment markets outside Australia may be exposed to risks not associated with Australian investments. Such risks include different economic conditions and foreign currency exposures, different political and regulatory environments and different interest rates.
Currency	Changes in exchange rates may adversely affect the translated value of investments made outside Australia in other currencies.
Interest Rate	Changes in interest rates may affect the value of investments or investment returns.
Liquidity	The risk a fund will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments.
Credit	The risk another party will fail to perform its contractual obligation relating to the fund's investment, resulting in a financial loss to the fund.
Sequencing	The risk that the order or timing of negative investment returns may impact the value of a portfolio of investments. Positive or negative returns have more impact depending on when they occur. Sequencing risk increases as contributions and/or investment account balances increase. If a period of poor performance is experienced near to or early in retirement this can have a significant impact on how long savings may last, particularly if funds need to be withdrawn to pay an income stream.
Investment management risk	Investment managers try to understand and manage investment risk. There is a risk that investment managers may underperform the market.

Other risks

Risk	Explanation
Operational risk	This is the risk that factors beyond our reasonable control may prevent the normal administration and management of your account. These risks include terrorist acts, war, earthquakes, epidemics, pandemics, fire or civil disturbance.
Legislative risk	The laws that impact on super, including tax laws, are subject to change. These changes may affect the tax effectiveness or value of your investment, or your ability to access it.
Adequacy risk	The risk that your savings will not be adequate to provide your desired level of income in retirement.
Longevity risk	This is the risk that you will live longer than your savings can provide for you financially in your retirement.

risk profiles

Everyone has a different level of comfort with investment risk. What risk profile you are can also depend on the return you're seeking and how long you want to stay invested for.

Your 'risk profile' may vary over time as your life circumstances and financial situation change. Below are five typical types of investors. They are general descriptions only and your individual needs may be different. You should consider discussing your personal circumstances with an adviser before making an investment choice.

Cautious

- typically may be unwilling to accept a short term capital loss
- is usually investing over a short time period (less than 1 year)
- may choose to invest in 100% defensive assets.

Defensive

- generally the priority is the preservation of capital in the short term, with limited tolerance for capital loss
- typically will have a minimum investment timeframe of 1–3 years
- whilst typically invests in defensive assets, could allocate 15–39% to growth assets.

Moderate

- may be willing to have some exposure to growth assets to increase the likelihood of a greater investment return over short to medium term
- likely to have some tolerance for year-to-year variation in returns, including occasional negative return
- typically will have a minimum investment timeframe of 3–5 years
- generally choose to invest in 40–59% growth assets.

Assertive

- may be willing to have a substantial exposure to growth assets to increase the likelihood of a greater investment return over medium to long term
- generally accepts short term fluctuations in the value of investments, including negative returns, with an aim for higher returns over the long term
- typically has a minimum investment timeframe of 5–7 years
- likely to invest 60-79% of capital in growth assets.

Aggressive

- may be willing to have a high exposure to growth assets to increase the likelihood of a greater investment return over the long term
- strong tolerance for short term fluctuations in the value of investments, including negative returns, with an aim of maximising returns over the long term
- typically has a minimum investment timeframe of 7–10 years
- likely to invest over 80% of capital in growth assets.

Matching your risk profile to investment options

You can use our online Risk Profiler at **hesta.com.au/calculator** to help you get an indication of your risk profile. Keep your profile in mind as you read about each investment option (pages 24-28). It may help you decide which option(s) best suit you.

asset classes

Mixing assets is key to managing risk

To manage the risk investing always carries, you can spread your investments across a range of different types of assets.

Why diversify?

Spreading investments across a range of assets and asset classes (diversification), aims to reduce the impact should any one of these asset classes underperform.

A diversified investment strategy recognises that each asset class behaves in a different way. As one asset class rises another may fall. By carefully managing the relationship between various asset classes, it is possible to produce a group or portfolio of investments with a lower risk for the targeted return. This is a common strategy used for many diversified portfolios, including our Ready-Made Investment Strategy (pages 22-23).

Growth and defensive assets

Asset classes fall into two groups:

Growth assets	Defensive assets
• generally higher risk than defensive assets • returns generally from change in capital value rather than income • returns likely to be more volatile but are expected to be higher over the long term • have a higher probability of a negative return in any one year (see probable number of negative returns for each investment option pages 24-28) • examples: Australian and international shares, private equity.	• lower risk but generally lower returns over the long term • returns primarily from income not an increase in the value of investment/s (capital value) • likely to produce lower volatility (fluctuations) in return • lower chance of negative return in any one year • still have some risk – for example, bonds drop in value when interest rates rise • examples: cash and global debt.

Some assets, such as infrastructure and property, can have both defensive and growth characteristics because they earn their return from both ongoing income and capital growth.

What about market conditions?

The risk and return of an investment will also depend on market conditions (rising, steady, falling) when you invest. Investing in an asset after markets have risen may expose your savings to a higher risk of a drop in value. This is a reason why investing in last year's best performing asset class can lead to disappointing investment performance.

HESTA income stream investment choices

If you don't make an investment choice when you join, you'll automatically be invested in the HESTA Income Stream Ready-Made Investment Strategy.

What is the difference between the HESTA TTR Income Stream and Retirement Income Stream investment options?

The investment options available to TTR and Retirement Income Stream are the same, however a different unit price will apply depending on which income stream you are invested in. There may also be some differences in the underlying investment objective in the TTR investment option compared to the Retirement Income Stream investment option.

When you open a TTR Income Stream investment earnings are taxed at up to 15%. If you open a Retirement Income Stream investment earnings are generally tax-free and deemed to be in the retirement phase (see page 8).

If you are in a TTR Income Stream and meet a condition of release (see page 5) you need to move to the HESTA Retirement Income Stream (see page 7 for more details).

When starting your HESTA Income Stream, you can either

- select the HESTA Income Stream Ready-Made Investment Strategy described in detail on pages 22-23.

  Keep in mind that you can only select our Ready-Made Investment Strategy when you first open your account. You cannot switch into this strategy after you've joined.

  If you select our Ready-Made Investment Strategy when you join, you can switch out of the strategy at any time.

  It's important to remember that once you switch out, you cannot switch back in. However, you can talk to one of our Superannuation Advisers about creating a similar strategy by calling us on 1300 734 479.

or

- create your own strategy from a choice of 10 individual investment options.

Will a lower risk investment generally produce a lower return?

Yes, lower risk investments usually produce lower returns over the long term. While higher risk investments generally produce higher returns over the long term, they are more volatile and have a higher likelihood of negative returns.

HESTA Income Stream investment options

There are two main categories of HESTA Income Stream investment options:

1. Diversified options#

- Balanced
- Defensive
- Conservative
- Eco
- Active

By spreading investments across a range of asset classes, these options may reduce the risk that the overall investment will perform poorly. If a particular asset class performs poorly, this may be offset by a strong performance in another asset class in the option.

Investment objectives for diversified investment options

HESTA Income Stream diversified investment options have medium term investment objectives in addition to long term (10-year) objectives. Medium term objectives were introduced to give members a better insight into performance targets over the next five years. Investment objectives are no guarantee of performance, but indicate what our investment experts think is an achievable return for a particular option, given its level of investment risk.

Markets are forward looking: for equities markets this effectively means expected future returns may have been brought forward and already priced into valuations. For bond markets, low interest rates make it difficult for bonds to perform strongly. Bonds rise in value when interest rates fall and drop in value when interest rates rise.

In the medium term, with the possibility of subdued global economic growth as consumers and corporates remain cautious, we expect returns may be below our longer term expectations. Accordingly, our medium term investment objectives for the diversified options are lower than the corresponding long term objectives.

It is important to note that the design of our diversified investment options remains unchanged. Long term performance is driven mainly by how we combine different asset classes in each investment option. The long term strategic asset allocation (the amount we invest in each asset class) for each of our diversified investment options remains unchanged.

Note: the name of each option indicates intent only and doesn't offer a guarantee of investment performance. We recommend you seek professional financial advice before making any decision about your investments.

2. Sector-specific options

- Cash
- Term deposits
- Property
- Australian shares
- International shares

Sector-specific options are mainly invested in a single asset class (eg property, term deposits or shares) with a small portion invested in cash for liquidity purposes. These options don't offer the same level of asset class diversification as the diversified options, but are designed to provide targeted exposure to specific asset classes.

Investment objectives for sector-specific investment options

Investment objectives for sector-specific options, except Property, are based on market indices for each asset class.

The use of market indices gives members insight into the long term performance of our sector-specific options compared with the broader markets for these asset classes.

For Property, we use a CPI + investment objective, consistent with the underlying objective of property investments, namely to provide a relatively stable and consistent return above inflation.

What are the assets in each option?

Please refer to pages 24–28 for the strategic asset allocation and ranges for each of the HESTA Income Stream investment options.

HESTA income stream ready-made investment strategy (default)

This strategy offers a simple solution to pre-retirees and retirees, gradually reducing their investment risk over time.

Our members have told us they would like a simple investment strategy in retirement so they don't have to keep changing their investment allocation as markets move.

They would also like their exposure to riskier asset classes like infrastructure and shares to decline over time.

So we've come up with an innovative way to meet these objectives: the HESTA Income Stream Ready-Made Investment Strategy.

The strategy

- aims to reduce investment risk over time
- provides an easy to understand, long term investment approach
- provides the flexibility to switch to other HESTA Income Stream investment options at any time.

When you first open your HESTA Income Stream you have the option of investing your funds in our Ready-Made Investment Strategy.

If you don't make an investment choice when joining, your funds will automatically be invested in this strategy.

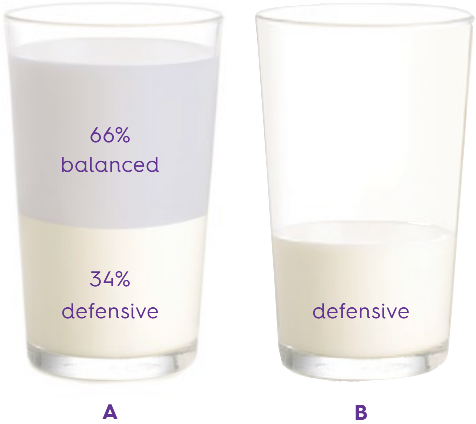
Structure

Our Ready-Made Investment Strategy combines HESTA Income Stream Defensive and Balanced investment options. By combining the two investment options and specifying the sequence in which your income is drawn from these options, your exposure to growth-oriented assets like infrastructure and shares is expected to decline slowly over the time you are invested in the HESTA Income Stream Balanced option, until you are only invested in the Defensive option.

The Balanced and Defensive options are described in detail on page 24.

how it works

When you initially invest in the Ready-Made Investment Strategy, 66% of your funds will be invested in the Balanced option and 34% invested in the Defensive option.



A Income stream payments are initially drawn from funds invested in the Balanced option – the higher-risk investment option of the two.

B Once all your funds invested in the Balanced option are exhausted, your income stream payments will then be paid from funds invested in the Defensive option – the lower-risk option.

This means your exposure to the higher-risk investment option decreases over time.

Other things you should know about the HESTA Income Stream Ready-Made Investment Strategy

The strategy doesn't take into account your personal financial objectives

As with any investment choice, before you invest in the HESTA Income Stream Ready-Made Investment Strategy, it's important to consider:

- whether the strategy is suited to your personal investment objectives
- if the strategy offers you the flexibility and control you want over your investments
- consulting a financial adviser before investing.

You cannot choose or change your drawdown strategy

When you invest in the HESTA Income Stream Ready-Made Investment Strategy, your drawdown strategy is pre-set, meaning you cannot choose or change where your income payments are drawn from.

You can only invest in the strategy when you open your account

After you become a HESTA Income Stream member, you cannot transfer your funds from your income stream options into the HESTA Income Stream Ready-Made Investment Strategy.

You can switch out of the Ready-Made Investment Strategy at any time. If you switch out at any point, you cannot switch back in.

However, you are able to imitate this strategy by choosing the same mix of Balanced and Defensive options, and the same drawdown sequence. If you need help setting up a similar strategy, one of our Superannuation Advisers can assist.

Other things to note about HESTA Income Stream investment options

- long term probabilities of negative returns are based on capital market assumptions and actual outcomes may vary
- long term means, on average, more than 10 years
- managers may hold a small percentage of their mandate in cash for portfolio management purposes
- returns are declared and unit prices are applied after deduction of investment fees, indirect costs and taxation
- past performance is not a reliable indicator of future performance
- some investments within the property and infrastructure asset classes have a mix of higher and lower-risk exposures.

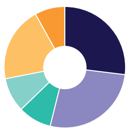
Call us on 1300 734 479 to organise an appointment with a HESTA adviser.

investment options for Retirement Income Stream (RIS) and Transition to Retirement (TTR) Income Stream

Investment options	Balanced	Defensive
Investment objective#	To earn a return (after-tax return for TTR), after investment fees and indirect costs, equivalent to or higher than:	To earn a return (after-tax return for TTR), after investment fees and indirect costs, equivalent to or higher than:
Med term (5 years)	**RIS:** CPI + 3.0% **TTR:** CPI + 2.5%	**RIS:** CPI + 1.5% **TTR:** CPI + 1.0%
Long term (10 years)	**RIS:** CPI + 3.5% **TTR:** CPI + 3.0%	**RIS:** CPI + 2.0% **TTR:** CPI + 1.5%
Strategy	Balanced invests in a diversified mix of asset classes, with 65.3% invested in growth style assets, including listed shares and the remainder invested in defensive style assets, like cash, defensive property and global debt. Infrastructure assets provide a mix of both growth and defensive characteristics. The inclusion of infrastructure should give Balanced a lower risk profile than if the growth assets were all listed shares.	Defensive invests in a diversified mix of asset classes, with 22.5% invested in growth style assets, like listed shares and 77.5% invested in defensive style assets, like cash, term deposits, defensive property and global debt. Infrastructure assets provide a mix of both growth and defensive characteristics. The diversification and defensive asset bias of this option means that it has a lower risk profile than Conservative, while its exposure to some growth assets should provide a small amount of protection against inflation.
Probable number of negative annual returns over 20 years	3 to less than 4	less than 0.5
Risk level	Medium to high	Very low
Suggested minimum investment timeframe	5 to 7 years	1 to 3 years
Type of investor this option may suit	Assertive	Defensive

Strategic asset allocation

Balanced



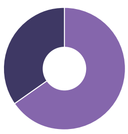
Asset class	Strategic allocation	Allocation range
Australian shares	27.0%	17-37%
International shares	25.0%	16-36%
Alternatives	6.0%	0-15%
Infrastructure	9.5%	5-25%
Property	8.5%	3-20%
Global debt	19.0%	5-35%
Cash	5.0%	0-30%

Defensive

Asset class	Strategic allocation	Allocation range
Australian shares	7.0%	3-13%
International shares	6.0%	3-13%
Alternatives	6.0%	0-10% (RIS) 0-15% (TTR)
Infrastructure	7.0%	2-15%
Property	6.0%	2-15%
Global debt	28.0%	20-40%
Cash	40.0%	30-50%

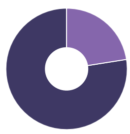
Overall growth/ defensive split**

Balanced



Growth	65.3%
Defensive	34.7%

Defensive



Growth	22.5%
Defensive	77.5%

	Balanced: Since inception (% p.a.)^	Balanced: to 30 June 10 yrs*	5 yrs*	3 yrs*	1 yr	Defensive: Since inception (% p.a.)^	Defensive: to 30 June 10 yrs*	5 yrs*	3 yrs*	1 yr
Performance of income stream investment options	5.53%	9.38%	8.91%	10.51%	9.32%	5.32%	6.02%	5.29%	5.51%	6.00%
Performance of TTR investment options	5.26%	9.07%	8.29%	9.46%	7.46%	5.20%	5.88%	5.02%	5.05%	5.19%

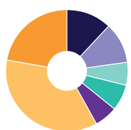
^Annualised return covering the period 12/12/2007 to 30/06/2019. ^Annualised return covering the period 12/12/2007 to 30/06/2019.

Investment fee and Indirect Cost Ratio (ICR) 2018/19	Balanced		Defensive	
	RIS investment fee	0.50% p.a.	RIS investment fee	0.33% p.a.
	RIS ICR	0.03% p.a.	RIS ICR	0.02% p.a.
	TTR investment fee	0.49% p.a.	TTR investment fee	0.33% p.a.
	TTR ICR	0.03% p.a.	TTR ICR	0.02% p.a.

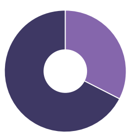
Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall. *Annualised return as at 30/6/2019. The returns shown are net of investment fees, indirect costs and taxes as at 30/6/2019. For more information about the investment fee and indirect costs see page 37. #The investment objective for a TTR differs to a retirement income stream due to the taxed investment earnings on investments in a TTR. **The growth/defensive split relates to the strategic allocation and may change as asset allocations move within their allocation ranges.

Conservative	Eco
To earn a return (after-tax return for TTR), after investment fees and indirect costs, equivalent to or higher than:	To earn a return (after-tax return for TTR), after investment fees and indirect costs, equivalent to or higher than:
RIS: CPI + 2.0% **TTR:** CPI + 1.5%	**RIS:** CPI + 3.5% **TTR:** CPI + 3.0%
RIS: CPI + 2.5% **TTR:** CPI + 2.0%	**RIS:** CPI + 4.0% **TTR:** CPI + 3.5%
Conservative invests in a diversified mix of asset classes, with 32.5% invested in growth style assets like listed shares, and approximately 67.5% invested in defensive style assets including cash, term deposits, defensive property and global debt. Infrastructure assets provide a mix of both growth and defensive characteristics. The diversification and defensive asset bias of this option means that it has a lower risk profile than either the Balanced or Active options, while its exposure to some growth assets should provide some protection against inflation.	Eco invests in companies with superior environmental, social and governance performance as assessed by our managers. Eco has investment exclusions concerning uranium, fossil fuels, tobacco and controversial weapons. See *HESTA Income Stream investment policies* for details (page 30). Property investments are screened to ensure they meet appropriate environmental requirements. Currently, the Private Equity investments are in Cleantech (see page 12).
1 to less than 2	4 to less than 6
Low to medium	High
3 to 5 years	7 to 10 years
Moderate	Aggressive

Conservative

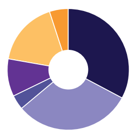


Asset class	Strategic allocation	Allocation range
Australian shares	12.0%	5-20%
International shares	11.0%	5-15%
Alternatives	6.0%	0-15%
Infrastructure	7.0%	2-15%
Property	6.0%	2-15%
Global debt	36.0%	20-45%
Cash	22.0%	10-30%

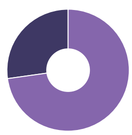


Growth	32.5%
Defensive	67.5%

Eco



Asset class	Strategic allocation	Allocation range
Australian shares	33.0%	23-47%
International shares	31.0%	17-41%
Private Equity	4.0%	0-10%
Alternatives	0.0%	0-15%
Infrastructure	0.0%	0-20%
Property	10.0%	0-20%
Global debt	17.0%	5-25%
Cash	5.0%	2-20%



Growth	73.0%
Defensive	27.0%

Conservative: Since inception (% p.a.)^	to 30 June: 10 yrs*	5 yrs*	3 yrs*	1 yr	Eco: Since inception (% p.a.)^	to 30 June: 5 yrs*	3 yrs*	1 yr
5.88%	7.52%	6.75%	7.39%	7.73%	13.96%	11.96%	12.47%	12.07%
5.71%	7.31%	6.34%	6.70%	6.58%	13.69%	11.59%	11.85%	11.36%

^Annualised return covering the period 12/12/2007 to 30/06/2019.

^Annualised return covering the period 1/07/2012 to 30/06/2019.

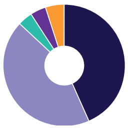
Conservative		Eco	
RIS investment fee	0.42% p.a.	RIS investment fee	1.18% p.a.
RIS ICR	0.02% p.a.	RIS ICR	0.04% p.a.
TTR investment fee	0.43% p.a.	TTR investment fee	1.27% p.a.
TTR ICR	0.02% p.a.	TTR ICR	0.04% p.a.

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall. *Annualised return as at 30/6/2019. The returns shown are net of investment fees, indirect costs and taxes as at 30/6/2019. For more information about the investment fee and indirect costs see page 37. #The investment objective for a TTR differs to a retirement income stream due to the taxed investment earnings on investments in a TTR. **The growth/defensive split relates to the strategic allocation and may change as asset allocations move within their allocation ranges.

Investment options	Active	Cash
Investment objective#	To earn a return (after-tax return for TTR), after investment fees and indirect costs, equivalent to or higher than:	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## for TTR) of the Bloomberg Ausbond Bank Bill Index.
Med term (5 years)	**RIS:** CPI + 4.0% **TTR:** CPI + 3.5%	
Long term (10 years)	**RIS:** CPI + 4.5% **TTR:** CPI + 4.0%	
Strategy	Active offers a diversified asset portfolio, investing predominantly in growth style assets like listed shares, while maintaining a balance of defensive assets like defensive property and cash. In addition, infrastructure assets are included, which provide a mix of both growth and defensive characteristics. The diversification of asset classes means this option has a lower risk profile than an investment in shares alone.	Cash is primarily invested in at-call bank deposits, along with an allocation to short-dated term deposits. It may include a small allocation to other cash investments.
Probable number of negative annual returns over 20 years	4 to less than 6	less than 0.5
Risk level	High	Very low
Suggested minimum investment timeframe	7 to 10 years	< 1 year
Type of investor this option may suit	Aggressive	This option may suit an investor seeking to create their own diversified portfolio, who would like to include cash and cash products.

Strategic asset allocation

Active



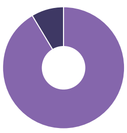
Asset class	Strategic allocation	Allocation range
Australian shares	43.5%	30-55%
International shares	43.5%	30-55%
Alternatives	0.0%	0-10%
Infrastructure	4.0%	0-10%
Property	4.0%	0-10%
Global debt	0.0%	0-10%
Cash	5.0%	2-20%

Cash

Asset class	Strategic allocation	Allocation range
Cash	100.0%	100%

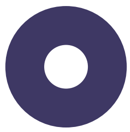
Overall growth/ defensive split**

Active



Growth	91.6%
Defensive	8.4%

Cash



Growth	0.0%
Defensive	100.0%

	Active: Since inception (% p.a.)^	Active to 30 June: 10 yrs*	5 yrs*	3 yrs*	1 yr	Cash: Since inception (% p.a.)^	Cash to 30 June: 10 yrs*	5 yrs*	3 yrs*	1 yr
Performance of income stream investment options	5.56%	10.76%	10.27%	13.02%	9.81%	3.38%	3.27%	2.30%	2.08%	2.20%
Performance of TTR investment options	5.25%	10.38%	9.53%	11.76%	7.68%	3.32%	3.20%	2.17%	1.86%	1.83%

Active: ^Annualised return covering the period 12/12/2007 to 30/06/2019.

Cash: ^Annualised return covering the period 1/07/2008 to 30/06/2019.

Investment fee and Indirect Cost Ratio (ICR) 2018/19	Active		Cash	
	RIS investment fee	0.44% p.a.	RIS investment fee	0.08% p.a.
	RIS ICR	0.02% p.a.	RIS ICR	0.00% p.a.
	TTR investment fee	0.43% p.a.	TTR investment fee	0.08% p.a.
	TTR ICR	0.02% p.a.	TTR ICR	0.00% p.a.

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall. *Annualised return as at 30/6/2019. The returns shown are net of investment fees, indirect costs and taxes as at 30/6/2019. For more information about the investment fee and indirect costs see page 37. #The investment objective for a TTR differs to a retirement income stream due to the taxed investment earnings on investments in a TTR. ##Estimated tax rate provided by independent investment consultant. **The growth/defensive split relates to the strategic allocation and may change as asset allocations move within their allocation ranges.

Term deposits

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## for TTR) of the Bloomberg Ausbond Bank Bill Index.

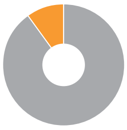
The Trustee will seek to invest in a diversified range of term deposits to enable flexibility to achieve the highest rates possible while managing reinvestment risk.

less than 0.5

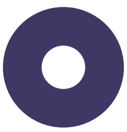
Very low

< 1 year

This option may suit an investor seeking to create their own diversified portfolio, who would like to include term deposits.



Asset class	Strategic allocation	Allocation range
Term Deposit	90.0%	0-95%
Cash	10.0%	5-100%



Growth	0.0%
Defensive	100.0%

Since inception (% p.a.)^	to 30 June		
	5 yrs*	3 yrs*	1 yr
3.09%	2.66%	2.45%	2.39%
2.99%	2.52%	2.22%	2.05%

^Annualised return covering the period 1/07/2012 to 30/06/2019.

RIS investment fee	0.06% p.a.
RIS ICR	0.00% p.a.
TTR investment fee	0.06% p.a.
TTR ICR	0.00% p.a.

Property

Over the long term, to earn a return (after-tax for TTR) after investment fees and indirect costs, equivalent to or higher than CPI + 3.5% (CPI + 2.75% for TTR).

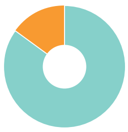
Property is invested primarily in unlisted property and property debt with a small allocation in cash products. The primary characteristic of the unlisted property will be that rental income is expected to generate the majority of the returns, not capital growth.

2 to less than 3

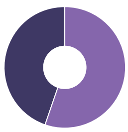
Medium

3 to 5 years

This option may suit an investor seeking to create their own diversified portfolio, who would like to include property.



Asset class	Strategic allocation	Allocation range
Property	85.0%	80-95%
Cash	15.0%	5-20%



Growth	55.3%
Defensive	44.7%

Since inception (% p.a.)^	to 30 June			
	10 yrs*	5 yrs*	3 yrs*	1 yr
2.26%	8.61%	9.77%	9.14%	4.76%
2.17%	8.50%	9.55%	8.77%	4.71%

^Annualised return covering the period 12/12/2007 to 30/06/2019.

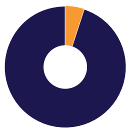
RIS investment fee	1.16% p.a.
RIS ICR	0.08% p.a.
TTR investment fee	1.15% p.a.
TTR ICR	0.08% p.a.

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall. *Annualised return as at 30/6/2019. The returns shown are net of investment fees, indirect costs and taxes as at 30/6/2019. For more information about the investment fee and indirect costs see page 37. #The investment objective for a TTR differs to a retirement income stream due to the taxed investment earnings on investments in a TTR. ##Estimated tax rate provided by independent investment consultant.**The growth/defensive split relates to the strategic allocation and may change as asset allocations move within their allocation ranges.

Investment options	Australian shares	International shares
Investment objective#	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## for TTR) from the combination of: • 95.0% S&P/ASX 300 Accumulation Index (adjusted for tax credits) • 5.0% 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## for TTR) from the combination of: • 73.6% MSCI World ex Australia Index in $A Net Dividends Reinvested • 21.4% MSCI Emerging Markets Index in $A Net Dividends Reinvested • 50/50 $A Hedged/Unhedged • 5.0% Bloomberg Ausbond Bank Bill Index
Strategy	Australian Shares option is invested primarily in listed Australian shares. It may at times hold a small percentage of its assets in shares of companies not listed on the Australian Stock Exchange. It may include managers who also short sell shares.	International Shares is invested primarily in listed international shares. The currency exposures in International Shares are managed under our currency overlay program policy. It may include managers who also short sell shares.
Probable number of negative annual returns over 20 years	6 or greater	4 to less than 6
Risk level	Very high	High
Suggested minimum investment timeframe	7 to 10 years	7 to 10 years
Type of investor this option may suit	This option may suit an investor seeking to create their own diversified portfolio, who would like to include Australian shares.	This option may suit an investor seeking to create their own diversified portfolio, who would like to include international shares.

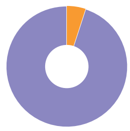
Strategic asset allocation

Australian shares



Asset class	Strategic allocation	Allocation range
Australian shares	95.0%	85-97.5%
Cash	5.0%	2.5-15%

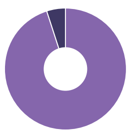
International shares



Asset class	Strategic allocation	Allocation range
International shares	95.0%	85-97.5%
Cash	5.0%	2.5-15%

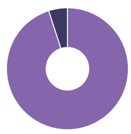
Overall growth/defensive split**

Australian shares



Growth	95.0%
Defensive	5.0%

International shares



Growth	95.0%
Defensive	5.0%

Performance

Australian shares

	Since inception (% p.a.)^	to 30 June 10 yrs*	5 yrs*	3 yrs*	1 yr
Performance of income stream investment options	7.74%	10.11%	9.36%	12.77%	12.26%
Performance of TTR investment options	7.23%	9.54%	8.23%	10.84%	7.90%

^Annualised return covering the period 1/07/2008 to 30/06/2019.

International shares

	Since inception (% p.a.)^	to 30 June 10 yrs*	5 yrs*	3 yrs*	1 yr
Performance of income stream investment options	7.55%	11.17%	10.82%	13.73%	7.79%
Performance of TTR investment options	7.44%	11.03%	10.55%	13.28%	7.65%

^Annualised return covering the period 1/07/2008 to 30/06/2019.

Investment fee and Indirect Cost Ratio (ICR) 2018/19

	Australian shares	International shares
RIS investment fee	0.38% p.a.	0.46% p.a.
RIS ICR	0.00% p.a.	0.01% p.a.
TTR investment fee	0.40% p.a.	0.46% p.a.
TTR ICR	0.00% p.a.	0.01% p.a.

Past performance is not a reliable indicator of future performance and the value of your investment can rise or fall. *Annualised return as at 30/6/2019. The returns shown are net of investment fees, indirect costs and taxes as at 30/6/2019. For more information about the investment fee and indirect costs see page 37. #The investment objective for a TTR differs to a retirement income stream due to the taxed investment earnings on investments in a TTR. ##Estimated tax rate provided by independent investment consultant. **The growth/defensive split relates to the strategic allocation and may change as asset allocations move within their allocation ranges.

income stream investment policies

Our approach to **responsible investment**

Responsible investment is an approach to investing that explicitly incorporates consideration of Environmental, Social and Governance (ESG) into investment decisions, to better manage risk, generate sustainable, long term returns and create positive impact.

Our Responsible Investment Policy outlines our principles and commitments to incorporating ESG considerations into our investment processes and decision-making. This includes the selection and monitoring of our external investment managers, and our ownership policies and practices such as share voting, company engagement and advocacy activities.

We seek to ensure all our external investment managers incorporate ESG issues into their investment analysis and decision-making processes. They may still choose to invest in a company where there are ESG risks if they believe the risks are reflected in the price. Our managers consider a broad range of ESG factors.

Examples of environmental factors include:

- climate change
- use of water and other natural resources
- pollution and waste.

Social factors include:

- workplace health and safety
- supply chain
- labour standards
- human rights.

Governance factors include:

- board independence and diversity
- executive remuneration
- bribery and corruption.

Our external investment managers are expected to assess ESG risks against the highest international laws, standards and guidelines in accordance with the United Nations Global Compact. The relevant international laws, standards and guidelines may differ depending on the particular ESG issue.

For example, when considering labour issues, our managers will be informed by the:

- United Nations (UN) Universal Declaration of Human Rights
- International Labour Organization's International Labour Standards
- UN Convention on the Rights of the Child
- OECD Guidelines for Multinational Enterprises
- Global Compact's Labour Principles.

Where we identify that a company's policies, procedures or operations do not comply, directly or indirectly, with international laws, standards or guidelines and we believe all possible steps have been taken to try to change the company's approach, we will consider instructing our managers to divest.

Our investment restrictions and exclusions

In addition to incorporating ESG factors into our investment processes and decision making, we have implemented portfolio-wide restrictions and exclusions related to ESG issues. Note however implementation of the exclusions and restrictions may be affected by the accessibility and accuracy of data or an error by an external service provider. This may result in inadvertent holdings, typically over the short term, in companies we are seeking to avoid.

Tobacco

Across our entire portfolio we exclude investment in any company that produces and/or manufactures tobacco or tobacco products.

Thermal coal

Also across our entire portfolio we apply the following restrictions on new investments in:

- any unlisted company that derives more than 15% of revenue or net asset value from exploration, new or expanded production, or transportation of thermal coal
- any newly listed company, from listing onwards, that derives more than 15% of revenue or net asset value from exploration, or new or expanded production of thermal coal
- the provision of direct funding to any listed company, via rights issues or share placements, for any of these activities.

Controversial weapons

Across our entire listed equities portfolio we exclude investment in any company that produces controversial weapons. Controversial weapons are defined as those in breach of a United Nations Convention. Our exclusion covers whole weapon systems or components developed for exclusive use in those weapons.

Our approach to responsible investment specific to Eco

Eco's investments are selected and managed according to more specific ESG requirements. The requirements are not solely based on risk management, but take into consideration the preferences of members that have selected this investment option.

Eco Australian shares

Eco's Australian shares component aims to deliver solid returns by investing in companies with both high ESG ratings and attractive financial and valuation characteristics. Our managers undertake detailed ESG research and may also utilise specialist ESG research from independent providers. This research determines the exposure of a company to a particular ESG issue and the policies and systems in place to manage that issue. Our managers then combine their ESG assessment with a detailed analysis of each company's valuation and financial potential to identify companies for inclusion in Eco.

Eco international shares

Eco's international share component is based on the belief that ESG factors directly affect the long term business profitability of companies. The investment process is driven by research focused on integrating ESG issues with fundamental financial analysis in order to identify high quality management teams and businesses. Our managers gain a comprehensive understanding of each company and the ESG factors affecting it. Our managers regularly review a company's quality assessment, and will withdraw investment when the review causes them to doubt the quality of the business.

Eco global debt

Eco's global debt component evaluates ESG factors from both a top-down (longer term macro-economic) view and bottom-up (sector and company selection) perspective. Our managers identify the major long term themes that will impact the global economy and financial markets. They then blend this macroeconomic analysis with detailed analysis of individual issuers. Our managers consider all potential risks and opportunities that could affect particular sectors or issuers, including those that are ESG-related, as part of their credit analysis and capital allocation decision-making processes.

Eco property

Property investments in Eco are required to achieve high environmental ratings. These ratings include above average NABERS Energy and NABERS Water ratings and 4 star and above for Green Star As Built (Green Building Council of Australia), when applicable. The higher the environmental ratings, the greater the savings across key areas including energy use, greenhouse gas emissions, water consumption, and construction and demolition waste. The property fund also needs to be highly rated by the Global Real Estate Sustainability Benchmark (GRESB).

Investment restrictions and exclusions specific to Eco

In addition to the portfolio-wide restrictions and exclusions, we have implemented more extensive restrictions and exclusions in Eco. Note however implementation of the exclusions and restrictions may be affected by the accessibility and accuracy of data or an error by an external service provider. This may result in inadvertent holdings, typically over the short term, in companies we are seeking to avoid.

Fossil fuel

Eco has a more extensive exclusion on companies involved in fossil fuel than the thermal coal restrictions in the broader portfolio. Eco excludes investment in any company that derives any revenue from the mining of thermal coal, or the extraction, production or refining of conventional and unconventional oil and gas; or derives more than 15% of revenue from the generation of electricity from fossil fuels or the transportation, distribution or retail of conventional and unconventional oil and gas; or more than 15% of revenue from the supply of equipment or services for the exploration and production of conventional and unconventional oil and gas activities.

Tobacco

In addition to the portfolio-wide exclusion on companies that produce and/or manufacture tobacco or tobacco products, Eco excludes any investment in companies that derive more than 15% of revenue from the manufacture and supply of key products necessary for the production or manufacture of tobacco or tobacco products or the wholesale or retail of tobacco or tobacco products.

Uranium

Eco excludes investments in companies involved in the mining or processing of uranium.

Further information

We provide more information on our approach to responsible investment, including our engagement and active ownership activities in the HESTA Annual Report and on our website. Go to **hesta.com.au/annualreport** or **hesta.com.au/responsible** for more information.

Derivatives

These are often purchased as a form of investment insurance, and include:

- futures and options: agreements to buy or sell an asset like shares or bank bills in the future at a price set now
- forward rate agreements: agreements to borrow or lend money in the future at an interest rate set now
- swaps: an interest rate, currency or equity exchange between two parties
- warrants: certificates that enable a purchaser to buy stocks at a certain price within a set timeframe.

Some HESTA Income Stream investment options invest in derivatives. Derivatives can be used to reduce portfolio risk, or increase it. We use tight controls to reduce unintended risk.

Our investment consultant

Frontier Advisors Pty Ltd (Frontier) advises us on investment objectives, strategies and investment managers.

Frontier is licensed by ASIC (AFSL No. 241266). The Trustee, H.E.S.T. Australia Limited, has shares in Frontier.

How investment returns are applied to your account

Investment returns are applied to your account by determining the value of your chosen option, less its liabilities, each week.

To find out more about recent investment returns and the value of your investment, call us on 1300 734 479.

The latest and historical returns are also displayed at **hesta.com.au/isreturns**

Unit pricing

HESTA applies unit pricing to report on members' account balances. Members' account balances are shown in the number of units allocated to each investment option they have selected.

You can see how much your current account balance is by looking up the unit price for the investment option applicable at the relevant week and multiplying it by the number of units held as at the relevant date in that investment option.

Payments, fees and or any other withdrawals from your account will reduce the number of units held, determined by dividing the amount by the relevant unit price.

We calculate the unit price for each investment option weekly (at close of financial markets each Tuesday) so you continue to have an up-to-date account balance that reflects any market movements.

However, HESTA has the discretion to modify, suspend or initiate additional pricing in certain situations to ensure prices are calculated equitably, reasonably and fairly. Such changes to pricing may impact the timing of your transactions, so we will endeavour to notify you in the event that this occurs.

Members switching investment choices will have the unit price as calculated on Tuesday applied the immediate Friday where a completed request is received by 11.59pm Tuesday (AET). Where a national public holiday falls on a Tuesday, the unit price will be calculated using the last available business day's valuation.

The change in unit prices reflects changes in the value of the assets held by each investment option and is used to determine the percentage investment return over time of each option. In times of poor investment performance, the unit price may go down.

You can still check the value of your account at any time, at **hesta.com.au/login** You will be able to see the number of units you hold, the current unit price and the total value you hold in each investment option, with the total of these making up your HESTA account balance.

Your next annual statement will show the value of your account based on the unit price of your selected investment options as at 30 June. If you exit HESTA before 30 June, the last available weekly unit price will be used to calculate your withdrawal benefit.

Who manages your investments?

The Trustee engages a number of major Australian and international investment managers that specialise in these types of assets. Our investment options use a combination of investment managers, giving small investors the opportunity to diversify across a number of managers and investment styles.

As custodian of our HESTA Income Stream investments, J.P. Morgan is responsible for holding HESTA Income Stream's assets, as they do for our industry and personal super plans.

✓ For a full list of our current investment managers please visit **hesta.com.au/isinvestments**

How is currency exposure managed?

The Australian dollar value of an investment in an international asset may be affected in two ways:

- by changes in the value of the actual asset, and
- by changes in the relative value of the Australian dollar and the foreign currency.

Because we have to convert all investments back to Australian dollars, if the value of the Australian dollar rises relative to a specific overseas currency, the value of the foreign assets will fall. Similarly, if the value of the Australian dollar falls, the value of foreign assets increases. Currency hedging is a risk management strategy designed to reduce the impact of changes in the value of currencies on the value of foreign investment. Hedging can reduce a potential loss from unfavourable currency movements, but it can also reduce a potential profit.

Strategic foreign currency exposure

All HESTA Income Stream's diversified investment options have a specific level of long-term foreign currency exposure that is set by the HESTA Board, on advice from our investment experts and our asset consultant, Frontier Advisors Pty Ltd (Frontier). This is called the strategic foreign currency exposure. The remaining percentage of this currency exposure is hedged.

Foreign currency exposure by investment option

Investment options	Strategic foreign currency exposure	Strategic foreign currency exposure range	Active hedge
Active	25.0%	0% – 60%	Yes
Balanced	15.0%	0% – 30%	Yes
Conservative	7.5%	0% – 30%	Yes
Defensive	0.0%	0% – 20%	No
Eco	15.0%	0% – 30%	Yes
Australian Shares	0.0%	–	No
International Shares	47.5%	0% – 100%	Yes
Property	0.0%	0% - 20%	No

Foreign currency exposure for sector-specific investment options

Where a HESTA Income Stream sector-specific investment option – apart from International Shares – has a foreign currency exposure, we will typically aim to have it 100% hedged. This is to ensure that members who invest in these options receive the return of the respective underlying asset classes, unaffected by the impact of currency movements. There is capacity to reduce the hedge of the foreign currency exposure for these sector-specific investment options where we decide that there will be a significant impact on performance.

International Shares also has a strategic foreign currency exposure that is set by the Board.

You can find the percentage of the strategic foreign currency exposure for each investment option in the table below. We also have the discretion to change the strategic foreign currency exposure at any time, within the ranges listed on this page.

Active foreign currency hedge

The strategic foreign currency exposure is implemented by specialist currency managers. For those investment options with exposure to international shares – apart from the Australian Shares investment option – the specialist currency managers can implement an active currency hedge. This is where the manager will change the percentage of foreign currency exposure to target additional returns for members.

Tax and fees

Do I have to pay tax on income stream payments?

If you're over 60, your income stream payments are tax-free. If you're under 60, you will need to pay tax.

Tax when creating your income stream

You don't pay tax on funds you rollover from a super fund to begin an income stream – except where your rollover comes from an 'untaxed' fund.

Untaxed funds are uncommon, and are generally older funds for government employees. In the unlikely event that your rollover does come from an untaxed fund, 15% tax will be deducted on commencement of your HESTA Income Stream.

This section details the fees and taxes applicable to the HESTA Income Stream.

Jane, who has reached preservation age but is still under 60, has chosen to receive an income of $7,000 from her HESTA Income Stream this year. Her tax-free portion is 10%.

Jane will only declare $6,300 ($7,000 less 10%) of this income for tax purposes. She is also entitled to a tax offset up to $945 (15% of $6,300) which will reduce the tax that she may pay.

This example is provided for illustration purposes only.

Tax on income stream payments

The tax treatment for income stream payments depends on your age.

Over 60?

If you're 60 or over, your income stream payments (including any lump-sum withdrawals) are tax free and don't need to be declared as assessable income when you lodge a tax return.

Under 60?

Before age 60, tax on payments from your income stream is split into tax-free and taxable portions.

Tax-free portion
Your tax-free portion is the sum of your:

- after-tax (non-concessional) contributions from 1 July 2007, plus the following amounts calculated as at 30 June 2007:
  - pre-July 1983 component
  - undeducted contributions
  - capital gains tax (CGT) exempt component, and
  - post 1 June 1994 invalidity component.

By dividing your tax-free component by the starting balance of your HESTA Income Stream account, you get a percentage which will then be applied to all future payments to determine the portion of each payment that is exempt from tax.

Taxable portion
The portion of any payment that is not the tax-free portion is the taxable portion.

This portion will be taxed depending on your age and how the payment is made, as described in the following tables.

Income stream payments

Your age	Tax treatment of taxable component
Under preservation age	Marginal tax rate plus Medicare levy
Over preservation age but under 60	Marginal tax rate plus Medicare levy (15% tax offset available – see example opposite)
Over 60	0%

Lump-sum payments

Your age	Tax treatment of taxable component
Under preservation age	20% plus Medicare levy
Over preservation age but under 60	0% up to $210,000* 15% plus Medicare levy on excess over $210,000*
Over 60	0%

*$210,000 based on 2019/20 figure. Subject to indexation.

Tax on investment earnings

Unlike the earnings of investments held outside of super (which may be taxed at your marginal tax rate), investment earnings in a Transition to Retirement Income Stream are taxed at up to 15%. Investment earnings in a Retirement Income Stream are tax-free.

A Transition to Retirement Income Stream will have a different unit price to the Retirement Income Stream due to the taxed nature of investment earnings. The manager selection for the underlying assets may have a different configuration because of the taxed nature. For the latest unit price visit **hesta.com.au/isperformance**

Income Stream investments may still benefit from franking credits distributed with Australian dividend payments.

Tax on death benefits

Tax on death benefits depends on whether the benefit is paid to a 'dependant' or a 'non-dependant', and whether the benefit is paid to them as a lump-sum or an income stream.

Dependants

For tax purposes, a death benefit dependant may be:

- a spouse (including a de facto spouse) or former spouse
- a child of the deceased under age 18
- a person with whom the deceased had an interdependency relationship at the time of death
- a person who was financially dependent on the deceased at the time of death.

No tax is payable on the tax-free component of a death benefit. The taxable component may be subject to tax as below:

Lump-sum payments		
Age of deceased	Age of recipient	Tax treatment of taxable component
Any age	Any age	0%

Income Stream payments		
Age of deceased	Age of recipient	Tax treatment of taxable component
60 and above	Any age	0%
Below 60	60 and above	0%
Below 60	Below 60	Marginal tax rate plus Medicare levy less 15% pension offset

Non-dependants

If someone is not a dependant for tax purposes, they are a non-dependant. The taxable component of a death benefit payment to a non-dependant may be subject to tax as follows:

Lump-sum payments		
Age of deceased	Age of recipient	Tax treatment of taxable component
Any age	Any age	15% plus Medicare Levy

Death benefits cannot be paid to a non-dependant as an income stream.

Where a child who was receiving a death benefit income stream is required to commute this benefit at age 25, the lump-sum is tax-free.

! Different tax may apply to your payments if your TFN or the recipient's TFN have not been provided to us.

Giving us your tax file number

We are authorised to seek your tax file number (TFN) under the *Superannuation Industry (Supervision) Act 1993*. Advising us of your TFN is voluntary, and it is not an offence if you choose not to provide it.

The main advantage of providing your TFN is that no additional tax will be deducted when you start withdrawing your super benefits (other than any tax usually deducted from super).

We are required by law to take the necessary steps to properly safeguard your TFN, and our intention is to use it only for lawful superannuation purposes.* We may disclose your TFN to another superannuation provider if your benefits are transferred, unless you instruct us in writing not to disclose it to any other fund.

*These purposes may change in future as a result of legislative changes.

fees and other costs

Consumer advisory warning*

Did you know?
Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You or your employer as applicable, may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

To find out more
If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) consumer website (**www.moneysmart.gov.au**) has a superannuation calculator to help you check out different fee options.

*The above consumer advisory warning is a legal requirement. HESTA fees are not negotiable. We are also required by law to mention the ASIC superannuation calculator. This calculator is not designed for use with HESTA Income Stream products.

Fees and other costs

This table shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole*. Other fees, such as activity fees and advice fees for personal advice may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry fees and exit fees cannot be charged. Taxes are set out in the *Tax and fees* section of this document (pages 34-35). You should read all the information about fees and other costs because it is important to understand their impact on your investment. Fees and costs are rounded to two decimal places.

HESTA Income Stream		
Type of fee	Amount	How and when paid
Investment fee[1]	0.06% p.a.– 1.18% p.a.	Deducted from investments before earnings are applied
Administration fee[1]	$1.75 per week, plus 0.28% p.a. (balances up to $250,000), or 0.23% p.a. (balances of $250,000 and over)	Deducted from your account in arrears at the end of each month, or on the date of your full exit from the income stream
Buy-sell spread	$0	N/A
Switching fee	Two free switches per financial year. A $30 switching fee will apply to all subsequent switches in each financial year	Switching fees are deducted from the option you are switching out of. If you are switching out of more than one investment option, the switching fee will be deducted proportionately across each investment from which you are switching out
Advice fees Relating to all members investing in the HESTA Income Stream.	$0	N/A
Other fees and costs[2]	See the 'Additional explanation of fees and costs' on pages 37-42 for more information	
Indirect Cost Ratio[1] (ICR)	0% p.a.– 0.08% p.a.	Deducted from investments before earnings are applied

1. If your account balance for a product offered by HESTA is less than $6,000 at the end of the HESTA income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

2. See the 'Additional explanation of fees and costs' on pages 37-42 for more information about activity fees, advice fees for personal advice and other fees and costs

* Investment fees and ICRs for each investment option are on page 39. Investment fees and ICRs are indicative only and are based on investment costs for the year ended 30 June 2019, including several components which are estimates only. The actual amount you will be charged in subsequent financial years will depend on the actual costs incurred in those years. Past costs may not necessarily be an indicator of future costs.

Example of annual fees and costs applicable to the **HESTA Income Stream Balanced investment option**

This table gives an example of how the fees and costs for the HESTA Income Stream Balanced investment option can affect your superannuation investment over a one-year period. You should use this table to compare this superannuation product with other superannuation products.

Example – HESTA Retirement Income Stream (Balanced investment option)		**Balance of $50,000**
Investment fees	0.50%	For every $50,000 you have in the Balanced option you will be charged $250 each year.
PLUS Administration fees	$91 ($1.75 per week) + 0.28%	**And**, you will be charged $231 in administration fees.
PLUS Indirect costs for the superannuation product	0.03%	**And**, indirect costs of $15 each year will be deducted from your investment.
EQUALS Cost of the product		If your balance was $50,000, then for that year you will be charged fees of **$496** for the Balanced option.

Note: additional fees may apply.

Example – HESTA Transition to Retirement Income Stream (Balanced investment option)		**Balance of $50,000**
Investment fees	0.49%	For every $50,000 you have in the Balanced option you will be charged $245 each year.
PLUS Administration fees	$91 ($1.75 per week) + 0.28%	**And**, you will be charged $231 in administration fees.
PLUS Indirect costs for the superannuation product	0.03%	**And**, indirect costs of $15 each year will be deducted from your investment.
EQUALS Cost of the product		If your balance was $50,000, then for that year you will be charged fees of **$491** for the Balanced option.

Note: additional fees may apply.

Additional explanation of fees and costs

Investment fee

The investment fee includes the costs that are paid directly out of the fund in relation to the management of investments. For example, this includes amounts paid to our investment service providers (such as fund managers and the custodian) and amounts paid for investment transaction costs. These amounts are paid from the assets of each investment option before we calculate unit prices, and are not deducted directly from your account.

Indirect Cost Ratio (ICR)

The ICR includes investment costs that are not paid by HESTA, but rather are incurred indirectly within our investment vehicles. These costs are reflected in the return of the investment, and are therefore included in unit prices and are not deducted directly from your account.

Performance fees

Some of our investment managers can also charge an additional performance fee if their investment returns are above an agreed hurdle (minimum) return. The hurdle return is usually based on the benchmark return for that asset class and investment manager. The performance fee forms part of the overall investment costs that contribute to the Investment fee for each investment option.

Administration fees

The Administration fee deducted from your account is paid into the fund development reserve. The fund pays its administration costs from this development reserve. The fund claims a tax deduction for administration costs each year. The amount of the deduction is also paid into the fund development reserve.

Currently an administration fee of $1.75 per week plus 0.28% p.a. on balances up to $250,000 or 0.23% p.a. on balances of $250,000 and above is charged to administer your account. The $1.75 fee is calculated weekly and the 0.28% p.a. or 0.23% p.a. cost is calculated on your closing balance at the end of each month.

Members who were previously members of another superannuation fund who: (a) became members of HESTA by way of a successor fund transfer process; and (b) have balances of below $25,000, may be entitled to a full or partial waiver or rebate of the administration fee in limited circumstances.

Advice fees

There are no ongoing advice fees charged for specific investment options. Personal advice on transition to retirement and retirement income stream strategies are also provided at no extra cost.

Full financial planning is provided in conjunction with Industry Fund Services Limited ABN 54 007 016 195 AFSL 232514 on a fee-for-service basis.

The cost of financial advice is agreed in advance, and the initial consultation comes at no additional cost to you.

Advice and financial planning fees may be partially or fully deducted directly from your HESTA account, depending on the nature of the advice provided to you (see pages 54-55).

Tax

For information on tax applicable to the HESTA Income Stream (see pages 34-35).

Borrowing costs

Borrowing costs are incurred through investing in interposed vehicles that the fund invests in and include costs related to: interest, establishment fees, commitment fees, line fees, administrative fees and margining fees. These costs are an additional cost to members and not included in the investment fee or ICR. Borrowing costs are paid from the interposed vehicle and reduce the earnings distributed to the fund, and are not directly charged to members.

Investment fees and ICR for each investment option

Investment option	Retirement Income Stream		Transition to Retirement Income Stream	
Investment options	Investment fee (% p.a.)	ICR (% p.a.)	Investment fee (% p.a.)	ICR (% p.a.)
Balanced	0.50%	0.03%	0.49%	0.03%
Defensive	0.33%	0.02%	0.33%	0.02%
Conservative	0.42%	0.02%	0.43%	0.02%
Eco	1.18%	0.04%	1.27%	0.04%
Active	0.44%	0.02%	0.43%	0.02%
Cash	0.08%	0.00%	0.08%	0.00%
Term Deposits	0.06%	0.00%	0.06%	0.00%
Property	1.16%	0.08%	1.15%	0.08%
Australian Shares	0.38%	0.00%	0.40%	0.00%
International Shares	0.46%	0.01%	0.46%	0.01%

Investment fees and ICRs are indicative only and are based on investment costs for the year ended 30 June 2019, including several components which are estimates only. The actual amount you will be charged in subsequent financial years will depend on the actual costs incurred in those years. Past costs may not necessarily be an indicator of future costs.

Transactional and operational costs

Each investment option incurs transactional and operational costs related to the type and complexity of the assets invested in. Transactional and operational costs are an additional cost to members. These costs may be deducted from investments before earnings are applied, or may reduce the earnings distributed to the fund from an interposed vehicle, and are not directly charged to members. There are two types of transactional and operational costs; explicit and implicit.

Explicit costs

Explicit transactional and operational costs are included in the investment fee or ICR and can include:

- brokerage
- buy-sell spread
- settlement costs (including custody costs)
- clearing costs
- stamp-duty on an investment transaction
- costs incurred in or by an interposed vehicle that would be transactional and operational costs if incurred by the fund.

Implicit costs

Implicit transactional and operational costs are costs that are embedded into the purchase or sale price of assets such as bid-ask spreads. These costs are not included in the investment fee or ICR.

Estimated property operating costs, borrowing costs, transactional and operational costs, and performance fees for Retirement Income Stream 2018/19

Investment options	Property operating costs (% p.a.)	Borrowing costs (% p.a.)	Transactional and operational costs - explicit (% p.a.)	Transactional and operational costs - implicit (% p.a.)	Performance fee (% p.a.)
Balanced	0.11%	0.05%	0.17%	0.19%	0.01%
Defensive	0.07%	0.04%	0.13%	0.15%	0.00%
Conservative	0.07%	0.04%	0.15%	0.21%	0.00%
Eco	0.05%	0.04%	0.10%	0.20%	0.70%
Active	0.05%	0.02%	0.10%	0.18%	0.01%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%
Term Deposits	0.00%	0.00%	0.00%	0.00%	0.00%
Property	1.08%	0.56%	0.70%	0.00%	0.02%
Australian Shares	0.00%	0.00%	0.06%	0.20%	0.00%
International Shares	0.00%	0.00%	0.07%	0.22%	0.03%

Estimated property operating costs, borrowing costs, transactional and operational costs, and performance fees for Transition to Retirement Income Stream for 2018/19

Investment options	Property operating costs (% p.a.)	Borrowing costs (% p.a.)	Transactional and operational costs - explicit (% p.a.)	Transactional and operational costs - implicit (% p.a.)	Performance fee (% p.a.)
Balanced	0.11%	0.06%	0.18%	0.18%	0.00%
Defensive	0.07%	0.04%	0.13%	0.14%	0.00%
Conservative	0.07%	0.04%	0.16%	0.21%	0.00%
Eco	0.05%	0.05%	0.11%	0.22%	0.73%
Active	0.05%	0.03%	0.12%	0.15%	0.00%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%
Term Deposits	0.00%	0.00%	0.00%	0.00%	0.00%
Property	1.07%	0.55%	0.70%	0.00%	0.02%
Australian Shares	0.00%	0.00%	0.10%	0.14%	0.00%
International Shares	0.00%	0.00%	0.07%	0.22%	0.03%

Property operating costs, borrowing costs and transactional and operational costs and performance fees are indicative only and are based on investment costs for the year ended 30 June 2019, including several components which are estimates only. The actual amount you will be charged in subsequent financial years will depend on the actual costs incurred in those years. Past costs may not necessarily be an indicator of future costs.

Property operating costs

Property operating costs are not included in the investment fee or ICR. Property operating costs are a transactional and operational cost that relates to property investments and includes costs in the ongoing management of a property. For example, land tax, repairs and maintenance, management fees, insurance, landscaping, leasing expenses. These costs are an additional cost to members and not included in the investment fee or ICR. Some property operating costs may be recovered from revenue of the property investment. Property operating costs may reduce the earnings from the property investment that are distributed to the fund, are deducted from investments before earnings are applied and are not directly charged to members.

Family law fees

Activity fee	How and when paid
Family law account splitting	An $80 fee is split equally between you and your former spouse (unless your former spouse receives the entire balance in which case the former spouse pays the entire fee), when giving effect to a family law splitting order or agreement.

Stephen has a balance of $160,000 invested in the HESTA Retirement Income Stream Ready-Made Investment Strategy.

The annual fees and costs for Stephen would be:

Balanced
$105,600 x
0.53% investment fee & ICR
= $560

Defensive
$54,400 x
0.35% investment fee & ICR
= $190

Administration fees
= $539^

TOTAL FEES = $1,289

^Includes an administration fee of $1.75 per week plus 0.28% p.a. for balances up to $250,000. Rounding has been applied to the above calculations.

Changes to fees and costs

HESTA Income Stream fees and costs may change. We'll attempt to notify all HESTA Income Stream members of increases in fees and costs at least 30 days prior to the change(s) taking effect, or otherwise in accordance with law. However, at times it may not be possible to provide prior notice, such as for the investment fees and ICR which varies from year to year.

In addition, we may introduce or increase fees at our discretion, including where increased charges are incurred due to government changes to legislation, increased costs, significant changes to economic conditions and/or the imposition or increase of processing charges by third parties.

If you withdraw your money before the end of the month, a portion of the accrued administration fee for that month will be debited from your account.

The investment fees and ICR will vary from year to year. The amounts provided in this document are derived from actual and estimated costs incurred in 2018/19.

Investment switching fees

If you'd like to alter your investment strategy or option(s), you can 'switch' your investments twice a year free of charge.

If you make more than two switches in one financial year, you will incur a $30 switching fee for each subsequent switch.

Other costs

Any abnormal costs such as the costs of changes to the Trust Deed, defending legal proceedings and special valuations of assets are paid out of HESTA reserves.

Frances has a balance of $300,000 in her HESTA Retirement Income Stream account, which is invested across three options as follows.

Conservative:	$100,000
Balanced:	$100,000
Active:	$100,000

Based on the above, Frances' annual fees and costs would be:

Conservative
$100,000 x
0.44% investment fee & ICR
= $440

Balanced
$100,000 x
0.53% investment fee & ICR
= $530

Active
$100,000 x
0.46% investment fee & ICR
= $460

Administration fees
= $781^

TOTAL FEES = $2,211

^Includes an administration fee of $1.75 per week plus 0.23% p.a. for balances over $250,000. Rounding has been applied to the above calculations.

Defined fees

(this wording is required by law)

Activity fees

A fee is an activity fee if:

a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:

   i) that is engaged in at the request, or with the consent, of a member; or

   ii) that relates to a member and is required by law; and

b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

Administration fees

An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:

a) borrowing costs; and

b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and

c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Advice fees

A fee is an advice fee if:

a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:

   i) a trustee of the entity; or

   ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and

b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

Buy-sell spreads

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.

Exit fees

An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.

Indirect Cost Ratio (ICR)

The ICR, for a *MySuper* product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the *MySuper* product or investment option, to the total average net assets of the superannuation entity attributed to the *MySuper* product or investment option.

Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

Investment fees

An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:

a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and

b) costs that relate to the investment of assets of the entity, other than:

   i) borrowing costs; and

   ii) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and

   iii) costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Switching fees

A switching fee for a superannuation products other than a *MySuper* product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

setting up your income stream

Ready to apply? If you've considered the HESTA Income Stream PDS and you're ready to open an income stream, this section has all the information you need to get started.

Step 1	**Get your money together** We need to receive all the money you want to invest in your HESTA Income Stream account at the one time. You can't add more into your account later, so it's best to make sure you've included money from all the funds you intend to roll over.
Step 2	**Choose the amount and frequency of your payments** You can choose from a variety of options. If you don't want to choose, we'll pay you the minimum amount required by the government (set on 30 June each year).
Step 3	**Choose how you want to invest your money** You can select our Ready-Made Investment Strategy or create your own strategy from a choice of 10 individual investment options.
Step 4	**Decide who you'd like to receive your income stream when you die** We give you a number of options. If you don't choose a beneficiary when you join, the Trustee of HESTA will determine how your account balance will be distributed (see pages 47-49 for further details on nominating a beneficiary).
Step 5	**Complete the forms** Use the checklist on page 1 of the forms section (within this PDS) to make sure you've completed all the necessary forms so you can get started without delay.

You can also apply online for a HESTA Income Stream. Visit **hesta.com.au/login**

Step 1

Get your money together

The money you invest in your HESTA Income Stream can come from the following sources:

- an existing HESTA super account
- other super accounts, including lost super accounts
- your retirement savings accounts
- an existing pension account with another financial institution
- a directed termination payment.

Getting funds from all your accounts can take time. If you're setting up your HESTA Income Stream using super from more than one source, your funds will be placed in a holding account until we receive all the money you intend to invest. Your membership of the HESTA Income Stream will commence once we have received these amounts. Super funds must transfer your money from other funds within a legislated period of time.

Consider putting all the funds you intend to invest into your existing HESTA super account before you set up your HESTA Income Stream. That way, they will remain invested until your HESTA Income Stream is set up.

Otherwise, during this time, any income earned on this money is treated as income of HESTA super and included in fund returns.

Is there a minimum investment balance?

The minimum amount you can invest is $50,000.

Estimate how long your super may last using our calculator at **hesta.com.au/calculate**

Is there a maximum investment balance?

The government imposes a limit of the amount you can put into a retirement income stream. For the 2019/20 year of income this amount, also known as the transfer balance cap is $ 1.6 million. If you exceed this amount, you may be liable for a tax penalty and we may be required to remove or transfer the excess. The transfer balance cap applies to the total of all your retirement phase assets. Any earnings on your account will not be counted for purposes of determining whether you exceed the transfer balance cap. See page 8 for more information or go to **ato.gov.au**

There is no limit on how much you can invest in a transition to retirement income stream. However, if your total super balance is more than the transfer balance cap (ie for the 2019/20 year of income, $1.6 million), you will not be able to make any further non-concessional contributions to super (i.e. from after-tax salary or savings).

Step 2

Choose the amount and frequency of your payments

Payment frequency

You can choose to have your payments made fortnightly, monthly, quarterly, half-yearly or yearly.

For payment frequencies other than fortnightly, you can choose to receive payments on the 15th day or the 28th day of the month.

For quarterly, half-yearly, or yearly payment frequencies, you can choose the month of your first payment.

The exception to this is the month of July, where yearly payments will only be made on the 28th day of the month.

Subsequent payments will recur at your chosen frequency.

If you don't nominate the frequency of your payments, your income will be paid annually on 30 June.

If, at a later date, you'd like to change the frequency of your payments, you can update your arrangements online or in writing by completing the *Change of income payment amount and frequency* form available at **hesta.com.au/ispayments**

Payment amounts

Minimum payment requirement

The amount you choose to receive as an income is up to you.

However, the government has set a minimum amount that must be paid to you each year from your income stream.

Working out your minimum payment amount

The minimum is simply a percentage of your account balance at the beginning of each financial year or on the start date of your income stream. This minimum is set by the government.

The percentage is linked to your age at the beginning of that financial year or later start date.

Example - Retired

Helen is a 62 year old retiree who has invested $80,000 in the HESTA Retirement Income Stream.

The minimum payment she can receive in the 2018/19 financial year is:

$80,000 x 4%
= $3,200
(to the nearest $10)*

Helen can draw as little as $3,200, or as much as $80,000 during the year.

*This example is provided for illustration purposes only.

Maximum payment amount – for members using a TTR Income Stream only

If you're transitioning to retirement, you can only withdraw up to 10% of your account balance as income payments each financial year.

This restriction – set by the government – applies until you meet a condition of release (see page 5).

This is calculated as 10% of your account balance on the start date of your income stream in its first year and subsequently, at the beginning of each financial year.

If you open your HESTA TTR Income Stream on a date other than 1 July and you choose to receive the maximum amount, we will pro-rata your maximum amount for this first year.

If you don't want your maximum amount to be paid pro-rata, call us on 1300 734 479 and ask to be paid the full 10%.

The table below shows the minimum percentage of your account balance you must draw down each year.

Your age	Minimum drawdown percentage
Under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95 or over	14%

Any updated limits announced by the government will be reported at **hesta.com.au/is**

Example - TTR

James is 57 years old and has invested $150,000 in the HESTA TTR Income Stream.

The minimum payment he can receive in the 2018/19 financial year is:

$150,000 x 4%
= $6,000
(to the nearest $10)*

Because James is transitioning to retirement, the maximum amount he can withdraw for the year is:
$150,000 x 10%
= $15,000
(to the nearest $10).*

*This example is provided for illustration purposes only.

Making lump-sum withdrawals

When you meet a condition of release, as outlined on page 5, your income stream can be fully or partially taken as a lump-sum at any time, subject to government regulations.

❗ Keep in mind, the more you withdraw, the less income you will have in future years.

What's a non-commutable income stream?

A TTR income stream is a non-commutable income stream. This essentially means an income stream that cannot be converted to a lump-sum payment.

This restriction only applies until you meet a condition of release.

This means it can only be paid as a lump-sum, or transferred to another complying arrangement, in the following limited circumstances:

- to access an unrestricted non-preserved benefit
- to pay a super contributions surcharge
- to split a payment under family law
- to give effect to a release authority from the Australian Taxation Office (ATO)
- to purchase another non-commutable income stream
- as a payout on your death or terminal illness
- to rollover to your previous, or a new, super fund.

Step 3

Choose how you want to invest your money

Choosing your investments

To make your income stream last as long as possible, it's important to think about how to invest your money.

The investment choices you make will depend on your personal circumstances, including your attitude towards risk and the length of time you plan to invest.

When starting your HESTA Income Stream, you can either:

- select the HESTA Income Stream Ready-Made Investment Strategy described in detail on pages 22-23
  - keep in mind that you can only select our Ready-Made Investment Strategy when you first open your account – you cannot switch into this strategy after you've joined, although you can replicate it

  or
- create your own strategy from a choice of 10 individual investment options.

Read *Investing your savings* on pages 11-33 for more information on investing and our Ready-Made Investment Strategy.

How payments can be drawn from your investment

HESTA Income Stream Ready-Made Investment Strategy
If you select our Ready-Made Investment Strategy, your payments will be deducted from your account as described on page 23.

Creating your own strategy
If you create your own strategy, by investing in more than one option, there are three ways we can draw your payments.

Ways to draw payments	Explanation
A pro-rata system	We'll make deductions from each investment option in proportion to the value of each investment option at the time of the payment.
In order of priority	We'll make deductions from one investment option first, and when there's no money left in that option, we'll move to the next investment option you've nominated.
A nominated percentage	We'll make deductions from the investment options you choose according to the percentages you nominate.

If you'd like to nominate which method we should use to fund your payments, complete Step 2 of Section 3 of the HESTA *Income Stream Application* form in this guide.

If you don't make a selection, payments will be drawn in the same proportion as your initial investment allocation.

If you deplete the funds from your nominated drawdown investment option and have not nominated an order of priority in respect of your investment options, we will draw your income payments – in the following order – from any other options you are invested in (unless you have invested in our Ready-Made Investment Strategy):

- Defensive
- Conservative
- Balanced
- Eco
- Active
- Cash
- Term deposits
- Property
- Australian shares
- International shares

Step 4

Decide who you'd like to receive your income stream when you die

In the event of your death, any remaining balance in your income stream account can be paid to your dependant(s) and/ or legal personal representative (i.e. executor or administrator of your estate).

People who can legally be considered as your dependants include:

- your spouse (which includes another person, whether of the same sex or a different sex, with whom you are in a relationship that is registered under a law of a state or territory, or a person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple)
- your child (which includes an adopted child, a stepchild, an ex-nuptial child, a child of your spouse or someone who is your child within the meaning of the *Family Law Act 1975*)
- a person who is wholly or partially financially dependent on you at the date of your death, or
- a person with whom you have an 'interdependency relationship'.

What's an 'interdependency relationship'?

An interdependency relationship exists between two people if they live together (or are temporarily living apart) in a close personal relationship and one or each of them provides the other with financial and domestic support and personal care.

This may include a parent or a sibling with whom you live. An interdependency relationship may still exist between two people if they have a close personal relationship, but because either or both of them suffer from a physical, intellectual or psychiatric disability, they do not live together.

Government regulations require a Trustee to also take into account certain criteria when assessing interdependency.

Who's eligible to receive the benefit?

Nominating a beneficiary helps ensure those close to you are looked after if you die. We recommend you carefully consider which type of nomination suits your needs.

There are three ways you can nominate a beneficiary for your income stream.

1. Make a valid binding nomination, which the Trustee must follow.
2. Nominate a non-binding, preferred beneficiary.
3. Nominate a reversionary beneficiary

If you don't nominate a beneficiary, the balance of your account will be paid to your estate or your dependants or a combination, as determined by the Trustee.

Binding nominations

If you make a valid binding nomination, the Trustee is required to pay your benefit to the dependants you nominate, regardless of whether your circumstances have changed.

While this can provide certainty, it's important to keep your binding nomination up-to-date, to ensure your wishes continue to reflect your current circumstances.

For your binding nomination to remain valid under superannuation law, it must:

- be provided to the Trustee
- be confirmed (or changed) at least once every three years, and
- be signed in your presence by two witnesses who are 18 years of age or older, and neither of whom are nominees (proposed beneficiaries).

The person(s) you nominate must be either a dependant or a legal personal representative at the date of your death. Where you nominate more than one beneficiary, you must also clearly state the percentage of the benefit each is to receive.

The Trustee will notify you of your nomination annually, and give you the opportunity to confirm or change it. You can also change it at any other time, as long as you complete your nomination in accordance with the requirements detailed above.

If a person nominated in a binding nomination is no longer a dependent or legal personal representative, the Trustee will determine who that person's portion of the nomination will be distributed to.

Keep in mind the Trustee will also treat a binding nomination as a (non-binding) nomination of preferred beneficiary, if:

- your binding nomination is not wholly invalid (e.g. percentages don't add to 100%) or
- your binding nomination isn't confirmed or amended within the three-year period.

To make a binding nomination, complete Section 8 of the HESTA *Income Stream application form* and the *Binding death benefit nomination form* in the middle of this guide.

Nomination of preferred beneficiary

When you nominate a preferred beneficiary, you're telling us who you'd prefer to receive your benefit when you die, but this nomination isn't legally binding.

The Trustee will distribute your benefit to your dependants and/or legal personal representative in the proportions and manner it determines, at its sole discretion.

The Trustee is required by law to act in members' and beneficiaries' best interests, and to carefully consider your wishes.
This will include considering any nomination of preferred beneficiary you may have made, and/or any Will you may have in place.

Unlike binding nominations, a nomination of preferred beneficiary does not need to be regularly confirmed.

However, if your circumstances change, and you do not update your nomination, the Trustee may not be fully aware of your wishes. For this reason, you should regularly review your nominations and communicate changes to the Trustee in writing.

To make a nomination of preferred beneficiary complete Section 8 of the HESTA *Income Stream application* form in the middle of this guide.

Reversionary beneficiary option

You can nominate a reversionary beneficiary when you start your HESTA Income Stream. This means your income stream payments will automatically revert to the person you nominate on your death.

A reversionary beneficiary can be:

- a spouse (including a de facto spouse)
- your child (if under 18)
- a financial dependant (at the time of death), or
- an interdependant (explained in *What's an 'interdependency relationship'?* on pages 47-48), both at the start date of your income stream and at the date of your death.

A valid reversionary beneficiary takes precedence over any binding nomination you may later forward to HESTA.

It's important to note that you can only choose one reversionary beneficiary. At the time of your death, your reversionary beneficiary must provide certain documents to prove their identity in accordance with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006*.

If they are under age 60, the reversionary beneficiary may be required to complete a *Tax File Number declaration* form (included in this guide). They must also provide new bank account and beneficiary details and certified identification, such as a valid photographic driver's licence or passport.

A reversionary beneficiary nomination, when accepted by the Trustee, is generally binding on the Trustee and is irrevocable. This means that, in most cases, you cannot change your decision once you have nominated a reversionary beneficiary. If you would like to change or remove your reversionary beneficiary at a later date, you must set up a new income stream by completing a new application form.

❗ We recommend you seek financial advice before nominating a reversionary beneficiary. Contact us on 1300 734 479 to make an appointment with a HESTA Superannuation Adviser or Financial Planner.

To nominate a reversionary beneficiary, complete Section 8 of the HESTA *Income Stream application* form in this guide, or when applying online, visit **hesta.com.au/login**

Step 5

Complete the forms

When preparing your application, the checklist on page one of the forms section will guide you through the requirements.

Checking each of the relevant boxes before sending us your application can help avoid delays in setting up your account.

If you need help completing the forms

For help with the application, binding death benefit nomination and transfer (rollover) forms, call us on 1300 734 479.
We'll be happy to help you.

For help completing the *Tax File Number declaration* form, visit **ato.gov.au** or call 13 28 61.

contact and advice

We're here to help you make the most out of your income stream. This section details how you can contact us, ways to access your account and where to go for advice.

As a HESTA Income Stream member, we'll keep in touch with you and help you keep track of your account.

How we keep in touch with you

✓ Annual statement

✓ Tax statement and PAYG Payment Summary if you're under 60

✓ Written confirmation of changes you've requested

✓ HESTA member magazine

Copies of this Product Disclosure Statement, the *Annual Report* and member magazines can also be found at **hesta.com.au**

How you can stay in touch with us

Phone

1300 734 479

Mail

Locked Bag 5136
Parramatta NSW 2124

Email

hestais@hesta.com.au

Web

hesta.com.au/incomestream

When members have a concern, we listen

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

Internal dispute resolution process

Step 1

If your concern relates to your HESTA Income Stream account, call 1300 734 479.

Step 2

If your concerns can't be resolved immediately, you can provide more detailed information about your complaint to our Complaints Officer by:

Mail: HESTA Complaints Officer
Locked Bag 5136
Parramatta NSW 2124

Email: HESTA Income Stream accounts
hestais@hesta.com.au

Step 3

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 a maximum timeframe of 90 days to resolve your complaint. 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 we have not responded to your complaint within 90 days, or at anytime 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
p. 1800 931 678 (free call)
e. info@afca.org.au
w. afca.org.au

Timeframes for complaints to AFCA

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

Death benefits

After HESTA has made its final decision, you must make a complaint to AFCA within 28 days of that decision.

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.

Staying on track

Accessing your account online

Manage your account – anytime, anywhere – using HESTA Member Online. It lets you manage your account over the internet conveniently and securely

You can:

- check your account balance and transactions
- review and switch your investments
- change your payment amount or frequency
- update your beneficiary nominations.

Simply call us on 1300 734 479, with your member number at hand, to get your password. You'll have received your member number on opening your account.

Then just log into **hesta.com.au/login**

Making changes to your account

Changing your payment amount and/or frequency

Your existing payment nomination will remain in place until you tell us you want to change it.

You can make changes to your payment amount and/or frequency in two ways:

- via **hesta.com.au/login** or
- by completing a *Change of income payment amount and frequency* form available from **hesta.com.au/ispayments**

You can use this form to:

- change your payment amount, provided it meets the minimum and maximum drawdown amounts set by the government. Note: maximum drawdown amounts apply to TTR income stream members only
- change how often you want to receive your income payments. You can choose to receive payments fortnightly, monthly, quarterly, half-yearly or yearly.

Lump-sum withdrawals

You can make a withdrawal request for all or part of your investment at any time. TTR members may only be paid a lump-sum in the circumstances set out on page 46 under the heading, *'What's a non-commutable income stream?'*.

If a partial withdrawal is made – whether paid directly to you or transferred to another fund – it does not contribute to your minimum yearly payment.

Withdrawals can only be paid to a pre-nominated Australian bank account as per your income payments.

Please refer to page 34 for the tax applicable to lump-sum withdrawals. We will send you confirmation of your withdrawal payment.

You can make a lump-sum withdrawal in two ways:

- via **hesta.com.au/login** (partial cash payments only up to $10,000)

or

- by completing a *HESTA Income Stream withdrawal form* (available at **hesta.com.au/forms**)

Completed withdrawal forms should be signed and sent to:

HESTA
Locked Bag 5136
Parramatta NSW 2124

We cannot accept faxed or emailed requests.

❗ Withdrawal requests must be authorised by the appropriate signatories. Unsigned withdrawal requests will not be processed.

Only partial withdrawals can be made via HESTA Member Online. To make a full withdrawal, you need to complete a *HESTA Income Stream withdrawal form*.

Once your withdrawal request is received, it can only be cancelled by providing us with your written notification.

We will process your request for withdrawal and transfer your withdrawal proceeds to your previously nominated rollover institution, bank, building society or credit union account on your behalf.

All withdrawals will be processed within 7-10 working days from receipt of request.

❗ Withdrawing money is likely to have tax and/or social security implications. Please consult your financial adviser for more information.

Reviewing your investment choice

Your investment needs and attitude to risk may change over time, so you should consider periodically reviewing your investment strategy.

Investment markets can be volatile, leading to increases and decreases in the performance of investments. When reviewing your investment strategy, it's important to consider investment performance over the medium to long term, to avoid the prospect of overreacting to short term market shifts.

To update your investment choice, log into **hesta.com.au/login**

❗ Not registered for your HESTA online account? No problem, simply call us on 1300 734 479 or go to **hesta.com.au/register**

Investment switches

You can switch investments twice a year, free of charge. The minimum amount you can switch between each investment option is $1,000, unless you are switching your entire balance.

If you make more than two switches in one financial year, you will incur a $30 switching fee for each subsequent investment switch.

Switch your investments quickly and conveniently online at **hesta.com.au/login** We'll process your switching request and send you a letter confirming the details of your switch.

It's recommended you seek financial advice before switching your investments. A HESTA Superannuation Adviser can provide you with advice on our range of investment options and switching your investments. To speak to one of our Superannuation Advisers, call 1300 734 479.

When is your withdrawal or switch request processed?

Completed switching requests received before 11.59pm Tuesday (Australian Eastern Time) will be processed that week (effective that Friday). Switching requests received after 11.59pm Tuesday will be processed on Friday of the following week.

For more information on how HESTA values your savings when switching investments, see page 32 on unit pricing.

Incorrect or incomplete switching requests may delay the processing of switches.

The Trustee has the discretion to refuse an application.

Deciding how to manage and live off your savings during retirement can be daunting, but it doesn't have to be. With the right guidance, you can make the most of your super in retirement.

Our financial education and advice service is here to give you that guidance. Our Superannuation Advisers and Financial Planners can help show you some hassle-free ways you can use an income stream to boost your super before retirement. Or, if you're ready to start winding back on work, our advice team can help you plan your path to a better work-life balance.

Getting the right advice, starts with you

Of course, getting the right advice starts with understanding what you want and which option fits in best with your life. In addition to advice, we also provide a variety of education options – from the convenience of online education, right through to workplace education sessions. All you need to do is choose the options that work best for you.

Education

Online education — 24/7 education at home

- financial goal setting
- Income streams
- financial planning
- saving
- social security
- retirement basic

Improve your financial skills today at **hesta.com.au/money101**

Workplace education sessions — let us come to you

- how super works
- transition to retirement
- government co-contributions
- easy money management
- combining super
- low-cost banking services for members.

Ready to book in for an education session? Simply visit **hesta.com.au/workplacevisit** or call us on 1300 734 479.

Retirement planning information sessions — demystify retirement

- boosting your super before retirement
- transition to retirement
- stretching your super further
- creating a comfortable retirement
- super and the Age Pension

Advice

One-on-one advice — at no extra cost

- review your investment options
- determine the adequacy of your income in retirement
- determine the most tax-effective way to make additional contributions to your super
- consider your insurance needs

Personal retirement advice — get the most out of your retirement

- help with creating a personalised transition to retirement strategy at no extra cost
- advice on choosing the investment options to suit your needs
- maintaining your super and insurance when you start accessing your super.

Financial planning — full service advice

- making your investments work harder
- setting your retirement goals.
- super and the Age Pension
- your super and tax
- creating a contributions strategy that works for you
- aged care
- provided on a fee-for-service basis
- personalised advice for couples
- investments outside of super

contact us

hestais@hesta.com.au | 1300 734 479 | Locked Bag 5136, Parramatta NSW 2124 | hesta.com.au

other things you should know

We've told you about the benefits, features and options available to you when you open a HESTA Income Stream, but there are other important things you need to consider. Things like, how we use your personal information, your cooling-off period and other administration considerations that might apply.

This section details other important information you need to know when opening an income stream.

Keep in mind

- you should gather all the funds you intend to deposit into your income stream before you start your account. You cannot make additional deposits, transfers or rollovers once you start receiving payments. However, you can open another HESTA Income Stream account if you have a further $50,000 or more in super to invest
- you may be able to claim a tax deduction on personal contributions made to a super fund (including HESTA). It is important that you notify your super fund (including HESTA) of your intention to claim a tax deduction, and receive their acknowledgement, before rolling your balance into a HESTA Income Stream. Your fund will not be able to action your request after your super has been transferred
- there's no guarantee your investment option will achieve positive returns. Economic conditions, interest rates and inflation may cause negative investment returns
- taxation and pension laws can and may change in the future
- insurance isn't available through the HESTA Income Stream so you should consider other sources of death and disablement insurance cover if you transfer all your super into the HESTA Income Stream. Alternatively, you may wish to consider keeping some funds (a minimum of $6,000) in your super account to maintain your cover
- under the government's transition to retirement rules, access to your money is generally restricted by a maximum allowable annual payment amount until you meet a condition of release (such as permanently retiring)
- a HESTA Income Stream is counted as an asset and income for the purposes of assessing eligibility for the Age Pension.

Protecting your personal information

Privacy Collection Statement

This Privacy Collection Statement relates to personal information collected by H.E.S.T. Australia Ltd as Trustee of Health Employees Superannuation Trust Australia Ltd ('HESTA'). You can contact us about privacy matters on **hesta@hesta.com.au** or 1300 734 479.

The facts and circumstances of collection

Where it is practical to do so we will collect personal information directly from the person to whom the information relates, however this may not always be the case. Where information is collected from a third party, it is the third party's responsibility to notify the person about the disclosure of their personal information to us.

The purpose of collection

We collect personal information for the primary purpose of providing financial products and services. This may include verifying identity, establishing membership in HESTA, managing superannuation accounts, assessing eligibility for insurance cover or insurance benefits, providing information about superannuation, managing and resolving complaints, providing financial education and advice, providing notices and statements.

The consequences if personal information is not collected

If we are unable to collect personal information it may prevent or delay the processing of requests, affect eligibility for benefits, prevent us contacting you, or cause tax consequences.

Other entities to which personal information is usually disclosed

We engage a number of third party service providers to assist us in providing products and services. We may disclose personal information to these service providers, which will usually include an administrator, insurers, underwriters, medical advisers, legal advisers, auditors, mail houses, research companies, and information technology providers. When disclosing personal information to third party service providers we will seek to ensure that they comply with the *Privacy Act 1988*. We may also disclose personal information to government bodies, or other entities as required by law.

Cross-border disclosure

Some services provided by our third party service providers may require disclosure of personal information outside of Australia, including the USA, India, Singapore, Canada, Malaysia, New Zealand and the United Kingdom.

Our Privacy Policy

To view our full Privacy Policy visit **hesta.com.au/privacy** or call 1300 734 479 to request a copy. Our Privacy Policy also contains information about how you can get access to information we hold about you, how to seek correction of that information, how to make complaints about privacy and how we will deal with those complaints.

Some things you should know

The Trustee of HESTA is H.E.S.T. Australia Limited ABN 66 006 818 695. The Trustee holds an Australian Financial Services Licence (AFSL No. 235249). The Trustee is responsible for the administration and management of HESTA, in accordance with the law and the obligations and powers of the Trust Deed.

The HESTA Trust Deed deals in part with the Trustee's responsibilities and obligations regarding the HESTA Income Stream. It contains certain minimum provisions. Subject to the law and limitations of the Trust Deed, we can change the Trust Deed, but if we believe the change will affect your rights as an investor, we will not make changes with less than 30 days notice to you.

The Trust Deed is available on our website at **hesta.com.au/disclosure**

what's permanent incapacity?

Permanent incapacity means ill-health (whether physical or mental) where the Trustee is reasonably satisfied that the member is unlikely, because of ill-health, to ever again engage in gainful employment for which the member is reasonably qualified by education, training or experience.

...other things you should know

Cooling-off period

Once you open a HESTA Income Stream, you have 14 days to reconsider your investment. The 14-day cooling-off period commences the earlier of:

- you receiving confirmation of your application, or
- the end of the fifth business day after membership is issued to you.

Within the cooling-off period, you can withdraw your investment or transfer it to another institution. To withdraw or transfer your investment, simply send a letter to HESTA Income Stream within the 14-day period. Your letter must reach us before the 14-day period has expired.

If you choose to withdraw during the cooling-off period, the amount you receive may be less than the amount of your original investment. It will reflect any movement in the value of the investment option(s) you have selected, amounts already paid to you and any tax payable on that amount. If contributions already made were taxable, then this tax may already have been paid, and you may be able to claim it back from the ATO.

If any of your investments in HESTA Income Stream were transferred from another complying super fund, approved deposit fund or retirement savings account, and were either preserved or restricted non-preserved benefits from the other fund (i.e. those that under federal government regulations could not be paid out to you but had to be preserved in that fund until some future time), those amounts can only be paid to you or your beneficiary in cash if you have:

- permanently retired from the workforce after reaching your preservation age, or
- ceased an employment arrangement since turning age 60, or
- reached age 65, or
- suffered a terminal medical condition, or
- become permanently incapacitated, or
- satisfied financial hardship or compassionate grounds eligibility, or
- died.

If you have not met one of the above conditions, such amounts must be transferred to another complying super fund, non-commutable income stream product or approved deposit fund of your choice.

Automatic account closure

A HESTA Income Stream account may be automatically closed by the Trustee where:

- the account balance is no longer sufficient to cover the next scheduled pension payment; or
- the account balance is less than $1,500 at 1 July.

An account may also be closed where required by legislation.

Custodian

A custodian, appointed by the Trustee, holds HESTA Income Stream assets. At the date of preparing this Product Disclosure Statement (PDS) the custodian is J.P. Morgan.

Family law and super

The *Family Law Act (1975)* allows couples to divide their super interests in the event of a marriage breakdown. The interests may be divided by formal agreement or by a Family Court order. Interests can be divided in the payment phase (when the member is receiving income payments) as a percentage of the regular income payments.

In the event a member's super interests are split, a new HESTA Income Stream account can be created by the non-member spouse, or their interest may be transferred or rolled over to another regulated super fund. We recommend you seek professional advice from a legal adviser or the Family Court about the consequences of separation and divorce for your super interests.

Please refer to page 40 for applicable Family law account splitting fees.

Consents

Written consent has been provided by each of the investment managers named in this PDS and is current (has not been withdrawn) at the date of preparing this PDS. None of the investment managers have been otherwise involved in the preparation of this PDS, nor have they caused or otherwise authorised the issue of this PDS and none of their employees or officers accept any responsibility arising from any errors or omissions.

Death benefit paid as an income stream to a minor child

An income stream can only be paid to a child of the member if, at the time of the member's death, the child is:

- under the age of 18 years; or
- aged between 18 years and 25 years and is financially dependent upon the member at the time of their death; or
- suffers from a (prescribed) disability.

An income stream paid to a child (who is not disabled) of a member can only be paid until the child reaches the age of 25 years. When the child attains the age of 25 years, the income stream must then be commuted and any residual capital is paid as a tax-free lump-sum in accordance with s303-5 of the *Income Tax Assessment Act 1997*.

An income stream being paid to a disabled child can continue to be paid, provided the child is disabled at the later of:

- reaching age 25; and
- the death of the member.

If the Trustee has determined to pay a death benefit as an income stream to a minor child, the income stream account will be set up in the name of the minor child and will require the minor child to have a tax file number. If the minor child does not have a tax file number, their legal guardian will need to apply for one on their behalf. Income payments will be paid into a nominated bank account and the guardian of the child will be required to sign all paperwork on behalf of the minor child.

Application forms

The application forms attached to this PDS set out the terms and conditions of the offer made under this PDS. You should read them carefully and in full.

Eligibility – temporary residents

Under the *Superannuation Industry (Supervision) Act 1993 (SIS)*, any person who holds, or has ever held, a temporary visa and:

- is not an Australian citizen or a New Zealand citizen or a permanent resident of Australia, or
- is not the holder of a subclass 405 (investor retirement) visa or a subclass 410 (retirement) visa

can only access their superannuation benefits under the following limited conditions:

a) the person satisfied a condition of release (see page 5) before 1 April 2009

b) terminal medical condition

c) permanent incapacity

d) death

e) temporary incapacity

f) as a Departed Temporary Resident Payment

g) under a release authority for excess contributions

h) if their benefit has been transferred to the Australian Tax Office (ATO) as unclaimed money or as a departed temporary resident benefit after six months.

Benefits payable in accordance with conditions (d) to (h) are ineligible to be used to start an income stream.

ready to apply?

HESTA

How to apply

To be eligible to invest in the HESTA Income Stream, you need to meet the criteria outlined on page 5 of the PDS.

The minimum investment amount is $50,000. In general, we are not permitted to accept a superannuation rollover unless it is transferred directly to us from a complying super fund, and the payment is made payable to the HESTA Income Stream or HESTA by that paying institution. A complying fund is one that qualifies for concessional tax rates – that is, reduced rates of tax compared to tax on salaries, for example. Only a regulated super fund that meets the government's operational standards can be a complying fund.

Table of contents

Application checklist

Before you send your application(s) please make sure you have:

- [ ] **Read and understood this guide**
  Don't forget, if you have questions about HESTA Income Stream, our Advisers can help. Simply call us on 1300 734 479.
- [ ] **Completed the application form**
  - [ ] Indicated if you are starting your HESTA Income Stream as a Transition to Retirement Income Stream member. (If applicable)
  - [ ] Requested online access. (If you want to register for access to your account online)
  - [ ] Indicated how much you want to transfer from your HESTA super account. (If you're an existing HESTA member)
  - [ ] Provided details of any other super funds you wish to transfer money from. (If applicable)
  - [ ] Confirmed your investment decision in Section 3 – *Investment options.* (By choosing our Ready-Made Investment Strategy or selecting individual options)
  - [ ] Nominated your chosen payment amount and frequency.
  - [ ] Indicated whether you intend to claim a tax deduction for any non-concessional contributions made into your superannuation account. If so, please complete and submit an ATO NAT71121 *- Notice of intent to claim or vary a deduction for personal super contributions application prior to submitting your income stream application.*
    - [ ] Nominated your chosen payment amount and frequency.
  - [ ] Provided and confirmed your bank account details.
  - [ ] Read, understood, signed and dated the declaration in Section 10.
- [ ] **Proved your identity**
  - [ ] Selected electronic verification. (By providing the information specified on page 1 of the *Certifying your identification* form)

  or
  - [ ] Attached certified copies of identification documents. (Sighted and signed by an authorised person listed on page 2 of *Certifying your identification*)
- [ ] **Completed the *Request to transfer superannuation into HESTA Income Stream* form**
  - [ ] Completed a *Request to transfer superannuation into HESTA Income Stream* form for each rollover into HESTA Income Stream. (Not required when transferring from your HESTA super account)
- [ ] **Completed the *Binding death benefit nomination* form** (Optional)
- [ ] **Completed the *Tax file number declaration* form** (If you're under age 60)

contact us

hestais@hesta.com.au | 1300 734 479 | Locked Bag 5136, Parramatta NSW 2124 | hesta.com.au

Issued by H.E.S.T. Australia Limited ABN 66 006 818 695 AFSL No. 235249, Trustee of Health Employees Superannuation Trust Australia (HESTA) ABN 64 971 749 321.

Rolling over super from another fund

To rollover your super from other complying super funds (outside of HESTA), you will need to complete the *Request to transfer superannuation into HESTA Income Stream* form in addition to the application form.

You must complete a separate transfer form for each of your nominated rollovers. Please photocopy the transfer form or contact us for additional copies if you need them.

It's important to note that, where two or more rollovers are received, investment earnings will not be allocated for the period between HESTA Income Stream receiving the initial rollover and the date of the final rollover.

! You don't need to complete a transfer form for funds being transferred from your HESTA super account.

Don't forget to provide your TFN!

It's beneficial to provide your tax file number (TFN) to your super fund. But supplying your TFN is voluntary, and it's not an offence if you choose not to provide it.

Here are some great reasons to provide your TFN:

- HESTA will be able to accept all permitted types of contributions to your account,
- other than the tax that may ordinarily apply, you will not pay more tax than you need to — this affects both contributions to your superannuation and benefit payments when you start drawing down your superannuation benefits, and
- it will make it much easier to find different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

Ready to send in your forms?

Send the completed and signed forms with certified copies of your identification (if you've opted out of electronic identification), bank account details and, where applicable, certified copies of linking documentation to:

HESTA
Locked Bag 5136, Parramatta NSW 2124

When we receive your completed forms and your identity has been verified, we'll process your application and send you a letter confirming your investment and the amount and frequency of your payments.

Payments must commence in the tax year you join, unless you start your income stream between 1 June and 30 June in any year, in which case payments can start in the following tax year.

Once you commence your income stream, we cannot accept additional contributions or investments to your income stream account. However, you can start another income stream, subject to meeting the minimum investment requirement. These will be treated as separate investments when determining fees.

contact us

hestais@hesta.com.au | 1300 734 479 | Locked Bag 5136, Parramatta NSW 2124 | hesta.com.au

Issued by H.E.S.T. Australia Limited ABN 66 006 818 695 AFSL No. 235249, Trustee of Health Employees Superannuation Trust Australia (HESTA) ABN 64 971 749 321.

certifying your identification

HESTA

Name: ....

Member number (if known): ....

Proving your identity

To protect you from the risk of identity fraud, you will need to provide certified identification to make a change of name or details, benefit claim, open a HESTA Income Stream or apply for refund of contributions.

You can provide certified documents in hard copy or you can provide consent for us to verify your identity electronically with your accompanying application form.

For IP and TPD insurance claims

If you're making an IP or TPD claim:

- **you need to choose Option 2**

  (certified copies of ID documents). These documents will be shared with our insurer as part of your claims process.
- **send your claim forms and certified ID back to:**

  AIA Australia, PO Box 611, Melbourne VIC 3004.

For any other claim, and to avoid any delay in processing your request, please send your claim form and certified ID to HESTA at the address provided at the bottom of this page.

Option 1: Electronic proof of identity

Please provide at least **TWO** of the following for verification.

☐ **Electronic verification**

If you select this option you do not have to attach any certified documents. We will do all the checks for you.

I authorise the use of the below information for this purpose (complete 'Verification of identification' on this form):

My Medicare number is:

Exp. date: M M Y Y Y Y

I am person number ☐ on this Medicare card

and

My Australian Driver licence number is:

Exp. date: D D M M Y Y Y Y

State of issue:

and/or my Australian passport number is:

Exp. date: D D M M Y Y Y Y

Place of birth:

Country of residence:

Name on citizenship document (if applicable):

Family name at birth:

Option 2: Provide certified copies of ID documents

This step-by-step guide details the types of documents we can accept as proof of your identity and what you need to do to certify them correctly.

☐ **Hard copy verification**

If you select this option you must attach all certified documents.

Acceptable documents

Either

A certified copy of a primary photographic identification document:

- current photographic driver's licence issued under state or territory law (copy of the front and back)
- current passport (including English translation where required).

or

A certified copy of a primary non-photographic identification document:

- birth certificate
- citizenship certificate issued by the Commonwealth of Australia
- pension card issued by Centrelink that entitles you to financial benefits.

and

A certified copy of a secondary identification document:

- a notice issued by a local government body or utilities provider within the preceding three months that shows your name and residential address.
- notice issued by Commonwealth, state or territory government within the past 12 months that shows your name and residential address. For example:
  - Tax Office notice of assessment
  - a notice recording the provision of financial benefits i.e. a Centrelink assistance payment.

Verification of identification

I consent to the Trustee of HESTA verifying my identification via electronic means including in the event my certified documents have not been correctly certified or if I apply for TPD and have been approved for payment.

Signature:

Date signed: D D M M Y Y Y Y

Mail to:

HESTA Locked Bag 5136, Parramatta, NSW 2124.

Have you changed your name or are you signing on behalf of another person?

If you've changed your name or are signing on behalf of the applicant, you'll need to provide a certified linking document proving a relationship exists between two (or more) names.

For a change of name you can request linking documents (eg Marriage certificate, Deed poll, Change of name certificate, Divorce decree or Registered relationship certificate) from the Births Deaths and Marriages Registration Office.

If you are signing on behalf of the applicant, you will need to provide Guardianship papers and Power of Attorney documents.

How to certify

The person authorised to sight and certify documents must:

- sight the ORIGINAL and the copy and make sure they are identical, and
- write or stamp 'certified true copy' on all copied pages followed by their signature, printed name, qualification (e.g. Justice of the Peace), registration number (if applicable) and date.

What does a certified document look like?

Samantha Sample has provided a photocopy of her identification that included signature, full name, date of birth, and current residential address.

- The certifying authority has sighted the original identification, and confirmed that the copy is a true copy.
- Details for the certifying authority are included: full name, qualification, registration number (if applicable), date and signature.

"I certify that this document is a true copy of the original"

Name: Kate Anderson

Qualification: JP

Registration no: 222222

Date: 31 July 2015

Do proof of identity and/or linking documents need to be translated?

If your proof of identity and/or linking documents are in a language that is not understood by the person carrying out the verification, they must be accompanied by an English translation prepared by an accredited translator.

Who can certify my identification document?

For a full listing of people who can certify your documents, see Schedule 2 of the *Statutory Declarations Regulations 2018*. Some of the people who can certify copies of originals as true copies are:

- a medical practitioner
- a nurse
- an optometrist
- a psychologist
- a pharmacist
- a chiropractor
- a veterinary surgeon
- an accountant (member of CA, CPA or IPA)
- a full-time teacher employed at a school or tertiary institution
- an officer with, or authorised representative of, a holder of an Australian Financial Services Licence (AFSL), having five or more years continuous service with one or more licensees
- a notary public officer
- a police officer
- a Justice of the Peace
- a magistrate
- a chief executive officer of a Commonwealth court.

What if I don't certify my identity documents correctly?

If the identification documents you send with your application are not certified or incorrectly certified, we may call you to verify your identity over the phone. If you're unable to give us enough information to identify you over the phone, you may need to resend certified proof of identity documents. This will lead to delays in processing your application.

Alternatively you can give your consent for electronic verification of your documents to be completed in the event that your documents have not been correctly certified, please sign the consent section under 'Verification of identification'.

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HESTA Income Stream application form

HESTA

1 Your details

Applying for an income stream under the **transition to retirement** provisions (see page 6-8 of the PDS)? ☐ Yes ☐ No

Title: Ms ☐ Mrs ☐ Miss ☐ Mr ☐ Dr ☐ Other ☐ ______

Gender: F ☐ M ☐

Given name/s:

Family name:

Date of birth:

D D M M Y Y Y Y

Mother's maiden name: (Information collected for security reasons only)

Residential address:

PO Box / Unit number / Street number

Street name

Suburb

State/Terr. Postcode

Telephone number (business hours):

Telephone number (after hours):

Mobile:

Email:

By providing your email, you agree to receive electronic communication of materials that might otherwise have been sent in paper from us in the future.

HESTA member number:

Tax file number:

Exemption (please see the TFN declaration):

Please read 'Giving us your tax file number' on page 36 of the PDS for more information.

2 Rollover details

Please fill out the details of your previous fund/s and the amount you would like to transfer to your HESTA Income Stream, including your HESTA super account (see page 44 of the PDS).

PART A: Rolling over from your HESTA super account

HESTA member number:

Please select one option only.

X **Transfer entire balance**
Please transfer the total balance of my HESTA account to my HESTA Income Stream and close my HESTA super account, **or**

X **Transfer entire balance less $6,000 to keep my HESTA account open and retain any insurance**
Please retain $6,000 estimated balance in my HESTA super account and transfer the remainder to my HESTA Income Stream. **or**

X **Transfer a specified amount**
Please transfer the amount of $ ______
from my HESTA super account to my HESTA Income Stream.

I am aware I may ask for information about any fees or charges that may apply, or any other information about the effect this transfer may have on my benefits and insurance, and do not require any further information. I discharge HESTA of all further liability in respect of the benefits paid and transferred.

PART B: Rolling over from other funds

Fund name:

Membership number (if known): Amount: $

Fund name:

Membership number (if known): Amount: $

Fund name:

Membership number (if known): Amount: $

(If you have more rollovers, please write them on a separate sheet and attach to this application.)

In addition to the above, you must also complete and sign the *Request to transfer superannuation into HESTA Income Stream* form on the following pages.

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3 Investment options

Please select one option only.

X **Ready-Made Investment Strategy**

I would like to invest in the HESTA Income Stream Ready-Made Investment Strategy (default).

If you choose this option, you **cannot** combine it with other HESTA Income Stream investment options or choose where payments are drawn from. Your drawdown sequence will be as shown on page 23 of the PDS. If you have chosen this option, please do not fill in anything further in Section 3. **Go directly to Section 4 ('Proof of identity ID').**

OR

X **Create my own strategy**

I would like to choose from the HESTA Income Stream investment options.

Step 1 Investment options

Investment options	% of total
Defensive	%
Conservative	%
Balanced	%
Active	%
Cash	%
Term Deposits	%
Property	%
Australian Shares	%
Eco	%
International Shares	%
Total (must add up to 100%)	**%**

Note: If you do not make a valid investment selection, your money will be invested in the HESTA Income Stream Ready-Made Investment Strategy (the default option – see pages 22-23 of the PDS).

Step 2 Payment drawdown details

Note: If you do not make a valid nomination below, payment will be drawn down in the same proportion as your initial investment allocation.

These options are not available if you have chosen the HESTA Income Stream Ready-Made Investment Strategy.

Indicate how you would like to drawdown your payments.

Please choose **one** option only. You can:

Option 1: Withdraw payments in proportion to your investment balance

X Choose to have the income payments withdrawn from each investment in proportion to the balance in each investment option at the time of payment.

Option 2: Specify the order of payments

X Choose the order of investments from which you would like to drawdown your income payments (e.g. 1 to 10).

Investment options	Hierarchy order
Defensive	
Conservative	
Balanced	
Active	
Cash	
Term Deposits	
Property	
Australian Shares	
Eco	
International Shares	

Option 3: Nominate the percentage to be withdrawn

X Specify which investment(s) you want your income drawn from and what percentage you want drawn from each.

Investment options	Percentage
Defensive	%
Conservative	%
Balanced	%
Active	%
Cash	%
Term Deposits	%
Property	%
Australian Shares	%
Eco	%
International Shares	%
Total (must add up to 100%)	**%**

4 Proof of identity (ID)

X I have filled out the previous form *Certifying your identification* (Ensure you send this form in with your application.)

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5 Income stream payment details

If you do not nominate a payment amount, we will pay the minimum amount the government requires you to withdraw.

Please select one option only.

The amount I would like to receive is:

X **Minimum amount (default)**
The minimum amount approved under government legislation (see 'Working out your minimum payment amount' on pages 43-44 of the PDS before choosing this option. NOTE: If an income stream commences after 1 July your first year payment will be pro-rated between commencement and the following 30 June), **OR**

X **Maximum amount (Transition to retirement (TTR) members under 65 only)**
10% of my account balance for a full year. If you have selected the maximum, please choose one of the following options:

X the full maximum for the first financial year
X the maximum for the remainder of this financial year on a pro-rata basis (default), **OR**

X **Nominated amount per payment**
Nominate an amount that will result in an annual amount that is between my minimum and maximum income limits
$ **OR**

X **Nominated amount + CPI (TTR members cannot exceed 10%)**
Nominate an amount within your minimum and maximum income limits that will be increased in line with CPI each year $ (per income payment) **OR**

X **Nominated amount + indexation (TTR members cannot exceed 10%)**
Nominate an amount within your minimum and maximum income limits that will be indexed each year
$ (per income payment)

Please select the level of indexation each year:
X 1% X 2% X 3% X 4% X 5%

Note: If you invest between 1 June and 30 June, your minimum amount is zero. You may choose not to receive a payment until the next financial year by ticking here: X

6 Bank account details

Your nominated bank account must be held in your name or, if it is a joint account, you must be one of the account holders.

Please pay my income stream as follows

Name of bank/building society/credit union:

Name account is held in:

Branch number (BSB): Account number:

X I confirm that the bank account is in my name (or jointly) and the details provided above are correct. Ensure you provide a copy of your bank statement to verify details.

7 Income stream payment frequency

Note: If you do not nominate the frequency of your income payments, your income will be paid annually on 30 June.

I would like to receive my income payments:

X fortnightly X monthly X quarterly
X half yearly X yearly

Please nominate your payment start date:

For monthly, quarterly, half-yearly or yearly payments only, please nominate a payment date:

X 15th of the month, **OR** X 28th of the month, **OR**
X Next available payment period (15th or 28th of the month)

The exception to this, is the month of July, where yearly payments will only be made on the 28th day of the month. If you don't nominate a payment date, your income payment will be the next available payment date. Your payment nomination will remain in place until you advise us in writing to change it.

8 Beneficiary details

Please advise how you want your account handled after your death. If you don't nominate a beneficiary option, the balance of your account will be paid as determined by the Trustee on your death. If your nomination is unclear (i.e. no selection or selecting more than one option), your account will be set up with no beneficiary nomination. You will have the option of adding non-binding or binding beneficiaries at a later stage. See pages 47-49 of the PDS.

Please select one option only.

X **Preferred beneficiary** (See page 48 of the PDS for details.)

Name:

Relationship to you: % of benefit: %

Name:

Relationship to you: % of benefit: %

Name:

Relationship to you: % of benefit: %

(If you have more nominations, please write them on a separate sheet, sign and date it and attach to this application)

Total (must add up to 100%) %

OR

X **Reversionary beneficiary**
(Income stream to continue to be paid after your death. See PDS, page 49)

Note: Members can nominate one beneficiary **only** to receive an income stream upon their death. This cannot be changed.

Ms X Mrs X Miss X Mr X Dr X Other

Given name/s:

Family name:

Date of birth: D D M M Y Y Y Y Gender: Female X Male X

Relationship to you:

(Must be your dependant at the time of your death)

OR

X **Binding nomination**
(See page 48 of the PDS for details. Complete the *Binding death benefit nomination* form).

Binding death nominations can be amended in writing at any time. In all cases, they MUST be confirmed no later than the end of the three-year period after the day it was first signed, notified, last confirmed or amended by the member making the nomination. Beneficiaries of valid binding nominations can receive payment as a lump sum or continuing income stream. If the binding death nomination is not confirmed or amended within this three-year period, it will revert to a preferred beneficiary nomination.

9 Financial adviser access (if applicable)

☐ I authorise my financial planner (named at the end of this application) to obtain relevant information and/or to monitor my account on my behalf. This authority continues until revoked in writing by me.

☐ I agree to the deduction of the financial planning fee charged for service by my HESTA Financial Planner for advice about my application to join the HESTA Income Stream in the amount of $ ______ to be deducted from my account upon establishment.

10 Signature and declarations

Before you sign this application form, the Trustee or financial planner is obliged to give you a Product Disclosure Statement (PDS) which is a summary of important information relating to the HESTA Income Stream. The PDS will help you to understand the product and decide whether it is appropriate for your needs.

Please mark one box only.

I declare that, with regard to my eligibility to become a member, one of the following is true:

Reached preservation age and employed

☐ I have reached my preservation age but have not ceased gainful employment and I agree to be bound by the transition to retirement conditions described on page 5 of this PDS, **or**

Reached preservation age and no longer employed

☐ I have reached my preservation age and am no longer gainfully employed. I am not intending to rejoin the workforce, full time or part time, at any time in the future, **or**

60 years of age and ceased employment

☐ I am 60 years of age or older and I have ceased gainful employment since turning 60, **or**

Have been declared totally and permanently disabled/incapacitated

☐ I have been declared totally and permanently disabled/incapacitated and have provided the Trustee with two medical certificates to that effect, **or**

Age 65 or over

☐ I am age 65 or more, **or**

Investment from spouse's death benefit

☐ My initial investment is from my spouse's superannuation death benefit.

In signing this application form, I declare that:

- all details in this application are true and correct
- I have read the Product Disclosure Statement to which this application applies and agree to be bound by the provisions of the Trust Deed (as amended) governing the Fund
- the whole of my investment is made up of one or more rollover benefits
- I am eligible to receive superannuation benefits in accordance with Superannuation Industry Supervision Regulations (see page 55 of the PDS 'Eligibility — temporary residents')
- I have no unresolved claims for tax deduction of personal contributions
- if this application is signed under Power of Attorney, the Attorney declares that no notice of revocation of that Power of Attorney has been received (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it)
- I have attached certified copies of all required identification documents (see *Certifying your identification*) or provided details for electronic verification
- I understand that if I transfer the full account balance from my HESTA super account to the HESTA Income Stream, any HESTA insurance entitlements I may have will cease
- The Trustee of HESTA has no responsibility for my decision to transfer benefits
- I understand that once I submit my application, my membership of HESTA Income Stream will commence on the date all requested transfer amounts are received
- I have read and understood the HESTA Privacy Collection Statement and consent to the trustee of HESTA collecting, using and disclosing my personal information
- The Trustee of HESTA has no responsibility to verify the bank account details I have provided are correct, if I have not attached a copy of my bank statement or a deposit slip.

Signature: ______

Name (in block letters): ______

Date: D D / M M / Y Y Y Y

11 Adviser use only

Adviser/Planner's name: ______

Adviser/Planner's company: ______

Adviser/Planner's address: ______

Phone number: ______

Fax number: ______

Email (optional): ______

Adviser stamp: ______

Please attach payment authority/invoice.

12 How did you hear about the HESTA Income Stream? (Optional)

☐ Financial Adviser
☐ Advertising (trade journals, newspaper)
☐ HESTA employee/adviser
☐ HESTA communication (e.g. newsletter)
☐ HESTA retirement planning seminar
☐ Friends/family/colleagues

Other (please state) ______

contact us

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HS 1126.3 10/19 ISS9

binding death benefit nomination

HESTA

Before completing the form, read *Important information* below and overleaf.

Complete all sections in capital letters, using a black or blue pen. Print 'X' to mark boxes where applicable. Do NOT use liquid paper or correction tape.

I would like this binding death benefit nomination to apply to my:

☐ **HESTA super account** - Member number: ____ ☐ **HESTA Income Stream** - Member number: ____

☐ **HESTA Personal Super** - Member number: ____ ☐ **HESTA Term Allocated Pension** - Member number: ____

Note: if you wish to nominate different beneficiaries for each of your HESTA accounts, you will need to complete a separate form for each account.

Tick ONE box to: nominate ☐ **OR** renew ☐ **OR** cancel ☐ **OR** change ☐ beneficiaries. If you tick more than one box your request will not be valid.

1 Personal details

Title: Ms ☐ Mrs ☐ Miss ☐ Mr ☐ Dr ☐ Other ☐ Given name/s:

Date of Birth: D D M M Y Y Y Y Family name:

Address:

2 Beneficiary details

Each nominated beneficiary must be a dependant as described below. Your binding nomination must be signed by TWO witnesses in your presence at the same time and date as your declaration. Please use whole numbers, not decimals for the benefit percentages. If you have more than six beneficiaries please call us. **Do not complete this section if cancelling but, complete sections 3 and 4 overleaf.**

FULL NAME

RESIDENTIAL ADDRESS

Beneficiary's relationship to you: % of benefit

☐ Spouse ☐ Child

☐ Financially dependent/Interdependent %

☐ Legal personal representative

FULL NAME

RESIDENTIAL ADDRESS

Beneficiary's relationship to you: % of benefit

☐ Spouse ☐ Child

☐ Financially dependent/Interdependent %

FULL NAME

RESIDENTIAL ADDRESS

Beneficiary's relationship to you: % of benefit

☐ Spouse ☐ Child

☐ Financially dependent/Interdependent %

FULL NAME

RESIDENTIAL ADDRESS

Beneficiary's relationship to you: % of benefit

☐ Spouse ☐ Child

☐ Financially dependent/Interdependent %

FULL NAME

RESIDENTIAL ADDRESS

Beneficiary's relationship to you: % of benefit

☐ Spouse ☐ Child

☐ Financially dependent/Interdependent %

FULL NAME

RESIDENTIAL ADDRESS

Beneficiary's relationship to you: % of benefit

☐ Spouse ☐ Child

☐ Financially dependent/Interdependent %

Total (must add up to 100%): %

Important information

To provide more certainty about who receives your benefit when you die, you can make a nomination which binds the Trustee of HESTA to pay the person(s) you direct (providing you are still a member of the Fund when you die).

The person(s) you nominate must be any one or more of the following:

- your current spouse (including another person, whether of the same sex, or a different sex with whom you are in a relationship that is registered under a law of a state or territory, or, a person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple)
- your children (including step, adopted, ex-nuptial, a child of your spouse or someone who is your child within the meaning of the *Family Law Act (1975)*
- any person(s) financially dependent or interdependent on you
- your legal personal representative, which means the executor or administrator of your estate.

Tax and death benefits

The definition of a dependant under tax law differs from the definition under superannuation law. Under tax law, children aged 18 and over are not classed as tax-dependants and therefore benefits may be subject to tax. Similarly, taxes may be applied where you have nominated your legal personal representative.

If a nominated beneficiary is not alive or no longer dependent and within one of these categories at the time of your death, the Trustee will determine distribution of the benefit.

You should consider the options available for binding nominations carefully. Read the *How super works* which forms part of the Product Disclosure Statement available at **hesta.com.au/pds**

At the time of a claim, a beneficiary may be entitled to choose to receive the income stream as a lump-sum payment or opt to continue the income stream if eligible. We recommend seeking financial advice as the tax treatment of benefits will depend on their personal circumstances.

Please turn over to read and sign member and witness declaration.

How long is the nomination valid?

A binding nomination is valid for three years from the date it was signed. It is important to keep your nomination up to date to ensure your wishes are met.

You can renew, change or cancel your nomination at any time. If your nomination is valid, we must follow it no matter how your circumstances have changed. For example, if you nominate your husband or wife and you later separate, but have not yet obtained a divorce, your nomination remains valid and binds us unless you vary or cancel it, or it expires. You will be advised of your nomination each time we send your Member Annual Statement, and you will be provided with the opportunity to update it.

Your dependants have the right to complain about a decision made by the Trustee. Visit **hesta.com.au/complaints** to learn more about disputing the Trustee's decision.

What is a valid nomination?

To make a nomination valid, your nomination must:

- be made in writing on this form
- clearly set out the proportion of the benefit to be paid in full percentages (total must add up to 100%)
- be signed and dated by you in the presence of two witnesses over the age of 18 who are not nominated beneficiaries on the form
- be signed and dated on the same date by the two witnesses in your presence at the same time you make your declaration
- be sent to us (a nomination will not be valid until we receive it).

Making and updating a binding nomination

To renew, change or make a new nomination you must tick the relevant box at the start of this form and write your chosen beneficiaries' details in Section 2. The 'percentage of benefit' column must total 100%. The form must be signed by you, dated and witnessed by two people who are not beneficiaries. Once accepted, this nomination will replace any existing nomination.

Cancelling a binding nomination

If you want to cancel a current binding nomination and not replace it, you must tick the relevant box at the beginning of the form. Please note the form must still be signed, dated and witnessed to cancel a previous nomination.

We will confirm your new or cancelled nomination in writing. We will also contact you and seek instructions before the expiry of an existing nomination.

Default option

If, at the time of your death:

- you have not made a binding death nomination, or
- your nomination has been cancelled, or
- your nomination is wholly invalid (for example, it is not correctly signed or witnessed, it is more than three years old and has not been renewed, or if all of the people nominated die before you or no longer fall within one of the permitted categories).

The Trustee of HESTA will use its discretion to determine how your benefit should be paid.

If at the time of your death your nomination is partially valid, for example, a person nominated is no longer a dependant but another person on the nomination is, the Trustee will use its discretion to determine how your benefit should be paid for the invalid part. Valid nominations will be paid in accordance with the nomination.

Privacy

The information you provide on this form, and any subsequent information you provide to us or our service providers in relation to this form, is collected in accordance with the HESTA Privacy Collection Statement available at **hesta.com.au/privacy** or by calling 1800 813 327.

Where you provide us with personal information about another person, it is your responsibility to notify that person about the disclosure of their personal information to us. Please return the completed form to:

HESTA, Locked Bag 5136, Parramatta NSW 2124

3 Member declaration

I understand and declare:

- my beneficiary(ies) must be my spouse, child, financial dependent and/or interdependent, or a legal personal representative of my estate at the time of my death
- I have read the information on this form that sets out the terms upon which this nomination is made and I will be bound by the provisions of the HESTA Trust Deed relating to binding death benefit nominations
- a binding nomination is only valid for three years from the date it is signed, confirmed or amended
- I may at any time cancel or change a binding nomination notice by submitting a new binding death benefit nomination
- if a binding nomination is invalid or has not been received by the Trustee of HESTA before I die, the death benefit will be determined by the Trustee of HESTA at its discretion
- this declaration must be signed by me in the presence of two witnesses over the age of 18, who are not beneficiaries on this form
- this nomination applies to all my investments within the HESTA account nominated on this form.
- I have read and understood the HESTA Privacy Collection Statement and consent to the trustee of HESTA collecting, using and disclosing my personal information.

Signature:

Date: D D M M Y Y Y Y

Please ensure TWO witnesses sign this form **at the same time on the same date** as you sign this (in your presence), then post to: **HESTA, Locked Bag 5136, Parramatta NSW 2124**

4 Witness declaration

I declare that I am over age 18, I am not a beneficiary nominated on this form and the member signed this binding nomination in my presence. Please ensure the member signs the member declaration (see section 3) in your presence **at the same time on the same date** as this witnesses' declaration.

Signature of witness one:

Print name:

Date: D D M M Y Y Y Y

Phone number:

Date of birth: D D M M Y Y Y Y

Signature of witness two:

Print name:

Date: D D M M Y Y Y Y

Phone number:

Date of birth: D D M M Y Y Y Y

contact us

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HS 1129.6 11/18 ISS6

request to transfer superannuation into HESTA income stream

HESTA

under the Superannuation Industry (Supervision) Act 1993

By completing the attached form, you are requesting the transfer of your super benefits into the HESTA Income Stream.

What you should consider before transferring your super into the HESTA Income Stream

When you transfer into the HESTA Income Stream, your entitlements under your current super fund may cease.

You should check all relevant information before you decide to transfer your super. Generally, if you ask for information, your super fund must give it to you. Some points to consider are:

Fees
Your current super fund must give you information about any fees. If you are not aware of the fees that may apply, you should contact your fund for more information before completing this transfer form. Fees could include administration fees. HESTA does not charge entry or deposit fees on transfer. Differences in fees can have a significant effect on your final super balance. (For example, a 1% increase in fees may significantly reduce your final benefit).

Death and disability benefits
Your current super fund may insure you against death, illness or an accident which leaves you unable to return to work. If you choose to roll all your super into an income stream, you may lose any insurance entitlements you have.

What happens if you do not quote your tax file number (TFN)?

You are not obliged to provide your TFN to HESTA but we are authorised by law to collect it. It will only be used for lawful purposes. These purposes may change in the future as a result of legislative amendments. Your TFN may be disclosed to another super provider when your benefits are being transferred, unless you request in writing that it not be disclosed to any other fund.

Although providing your TFN isn't compulsory, it may slow down the processing of your transfer if you don't provide it and we may need you to provide additional identification.

For more information about superannuation and transfers call us on 1300 734 479 or visit the:

- Australian Securities and Investments Commission consumer website at **moneysmart.gov.au** or
- Australian Taxation Office (ATO) website at **ato.gov.au/super** or call 13 10 20.

Completing this form

- print clearly in BLOCK LETTERS, using a black pen
- read the important information pages
- refer to instructions where indicated with ➤ and !
- sign the authorisation

Send your completed and signed form to:
HESTA Locked Bag 5136, Parramatta NSW 2124

*** Denotes mandatory field. If you do not complete all of the mandatory fields, there may be a delay in processing your request.**

1 Personal details

Title: Ms ☐ Mrs ☐ Miss ☐ Mr ☐ Dr ☐ Other ☐
*Gender: F ☐ M ☐
*Given name/s:
*Family name:
*Date of birth: D D M M Y Y Y Y
Tax file number:

Under the *Superannuation Industry (Supervision) Act 1993 (SIS)*, you are not obliged to disclose your tax file number, but there may be tax consequences.

➤ See above **'What happens if you do not quote your tax file number?'**

Best contact telephone number:

*Residential address:
PO Box/ Unit number/ Street number
Street name
Suburb
State/Terr. Postcode

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* Denotes mandatory field. If you do not complete all of the mandatory fields, there may be a delay in processing your request.

Previous name/address:

If you know that the address held by your FROM fund is different to your current residential address, give details below.

*Given name/s:

*Family name:

Postal address:

PO Box/Unit number/Street number

Street name

Suburb

State/Terr. Postcode

2 Fund details

FROM *(Transferring fund)*

*Fund name:

*Fund address:

*Membership or account number:

Australian business number (ABN):

Unique Superannuation Identifier (USI):

If you have multiple account numbers with this fund or other funds, you must complete a separate form for each account you wish to transfer.

TO *(Receiving fund)* HESTA Income Stream

*Fund name:

HESTA Income Stream

Fund telephone number:

1 3 0 0 7 3 4 4 7 9

Income Stream member number:

Australian business number (ABN):

6 4 9 7 1 7 4 9 3 2 1

Unique Superannuation Identifier (USI):

H S T 0 0 0 1 A U

3 Rollover details

I authorise you to rollover/transfer:

☐ the total fund value

or

☐ an amount of $

to my HESTA Income Stream.

4 Authorisation

By signing this request form I am making the following statements:

- I declare I have fully read this form and the information completed is true and correct.
- I am aware I may ask my superannuation provider for information about any fees or charges that may apply, or any other information about the effect this transfer may have on my benefits, and have obtained or do not require any further information.
- I consent to my tax file number being disclosed for the purposes of consolidating my account.
- I discharge the superannuation provider of my FROM fund of all further liability in respect of the benefits paid and transferred to my TO fund.
- I request and consent to the transfer of superannuation as described above and authorise the superannuation provider of each fund to give effect to this transfer.
- I have read and understood the HESTA Privacy Collection Statement and consent to the Trustee of HESTA collecting, using and disclosing my personal information.

*Signature:

*Full name:

*Date:

D D M M Y Y Y Y

contact us

hestais@hesta.com.au | 1300 734 479 | Locked Bag 5136, Parramatta NSW 2124 | hesta.com.au

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Australian Government
Australian Taxation Office

ato.gov.au

Tax file number declaration

This declaration is NOT an application for a tax file number.

- Use a black or blue pen and print clearly in BLOCK LETTERS.
- Print **X** in the appropriate boxes.
- Read all the instructions including the privacy statement before you complete this declaration.

Section A: To be completed by the PAYEE

1 What is your tax file number (TFN)?

For more information, see question 1 on page 2 of the instructions.

OR I have made a separate application/enquiry to the ATO for a new or existing TFN.

OR I am claiming an exemption because I am under 18 years of age and do not earn enough to pay tax.

OR I am claiming an exemption because I am in receipt of a pension, benefit or allowance.

2 What is your name? Title: Mr Mrs Miss Ms

Surname or family name

First given name

Other given names

3 What is your home address in Australia?

Suburb/town/locality

State/territory Postcode

4 If you have changed your name since you last dealt with the ATO, provide your previous family name.

5 What is your date of birth? Day / Month / Year

6 On what basis are you paid? (select only one)

Full-time employment | Part-time employment | Labour hire | Superannuation or annuity income stream | Casual employment

7 Are you: (select only one)

An Australian resident for tax purposes | A foreign resident for tax purposes | OR | A working holiday maker

8 Do you want to claim the tax-free threshold from this payer?

Only claim the tax-free threshold from one payer at a time, unless your total income from all sources for the financial year will be less than the tax-free threshold.

Yes **No** Answer **no** here if you are a foreign resident or working holiday maker, except if you are a foreign resident in receipt of an Australian Government pension or allowance.

9 (a) Do you have a Higher Education Loan Program (HELP), Student Start-up Loan (SSL) or Trade Support Loan (TSL) debt?

Yes Your payer will withhold additional amounts to cover any compulsory repayment that may be raised on your notice of assessment. **No**

(b) Do you have a Financial Supplement debt?

Yes Your payer will withhold additional amounts to cover any compulsory repayment that may be raised on your notice of assessment. **No**

DECLARATION by payee: *I declare that the information I have given is true and correct.*

Signature

You MUST SIGN here

Date Day / Month / Year

There are penalties for deliberately making a false or misleading statement.

Once section A is completed and signed, give it to your payer to complete section B.

Section B: To be completed by the PAYER (if you are not lodging online)

1 What is your Australian business number (ABN) or withholding payer number? Branch number (if applicable)

2 If you don't have an ABN or withholding payer number, have you applied for one? **Yes** **No**

3 What is your legal name or registered business name (or your individual name if not in business)?

4 What is your business address?

Suburb/town/locality

State/territory Postcode

5 What is your primary e-mail address?

6 Who is your contact person?

Business phone number

7 If you no longer make payments to this payee, print X in this box.

DECLARATION by payer: *I declare that the information I have given is true and correct.*

Signature of payer

Date Day / Month / Year

There are penalties for deliberately making a false or misleading statement.

Return the completed original ATO copy to:
Australian Taxation Office
PO Box 9004
PENRITH NSW 2740

IMPORTANT
See next page for:
- **payer obligations**
- **lodging online.**

30920917

Sensitive (when completed)

...because your
stories are
our inspiration.

hesta.com.au

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