



Rest Annual Report

1 July 2018 – 30 June 2019

18 December 2019

Rest



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For Acumen members, there are two parts to the Annual Report. This document is the first part and the AQ Update is the second part. For all other members, this document is the complete Annual Report.

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Message from the CEO



Vicki Doyle Chief Executive Officer

Welcome to Rest's Annual Report for the 2018/19 financial year.

In last year's edition, I noted that 2017/18 had been a "truly remarkable period in the fund's evolution". Well, it's safe to say that 2018/19 has exceeded it.

This year we embarked on an exciting new strategy for the next three years. We completely transformed our organisational structure, we refreshed our ambition and mission statements, and we commenced 11 major programs of work across the fund.

This new direction positions Rest for the future, so we can continue to provide to grow your retirement savings and provide outstanding service in a changing superannuation landscape.

But what does this mean for you?

Our commitment to you is that we'll invest your retirement savings aiming for long-term growth. Profits will be delivered back to you, not to shareholders. We'll provide you flexibility to tailor your investments according to your preferences.

We strive to be easy to deal with, and we will work hard to make super clear and simple to understand. You can be confident that your retirement savings are secure with one of Australia's largest funds.

Ultimately, we will listen to you and continuously improve the service we provide. To give you an idea of the scale of this service, let's look at an average week at Rest.

Every week, on average, we answer more than 9,500 phone calls from members, our virtual agent Roger responds more than 11,000 questions, we respond to more than 5,500 Live Chats and in-App messages, Rest Advisers¹ provide more than 100 Statements of Advice to members, we accept nearly 100 new insurance claims, and we facilitate 10 education seminars around the country.

This Annual Report will explore our new strategic direction in further detail, highlight our achievements for the year, and showcase our investment performance.

Delivering for you

In 2018/19 we continued to invest with a focus on long-term performance and protecting your retirement savings against downside risks.

Rest's Core Strategy delivered a 10-year return of 8.95 per cent per annum for Super members, and 9.85 per cent per annum for Pension members. Collectively, your retirement savings under management reached \$56 billion at 30 June 2019 – an increase of around \$5 billion on the previous year

We used our scale to increase our stake to become the sole owner of the Collgar Windfarm, Western Australia's largest renewable energy project. We were also part of a consortium of investors that agreed to purchase the Long Beach Container Terminal in California, part of the largest container port complex in the United States.

¹ Rest financial advice is provided by Rest Advisers as authorised representatives of Link Advice Pty Ltd ABN 36 105 811 836, AFSL 258145.

We provided you with more choice and flexibility in how you invest your retirement savings, launching three indexed options that have 0 per cent investment management fees.

We reviewed our insurance arrangements to ensure they were still offering you the best-possible value. We selected a new insurance provider, TAL Life Limited, and began designing a new insurance offering to commence in 2020.

We continued to invest in our customer service so you could engage with your super more easily, in the manner that best suits your needs and preferences.

For example, we regularly updated the App and launched new features, including the ability to switch your investment options and to easily find and consolidate your super funds. The members who used this feature were able to collectively consolidate around \$180 million of their retirement savings into their Rest accounts in 2018/19.

Achieving your personal best

Our mission is to help you achieve your personal best retirement outcome.

The key to this is recognising there is no uniform ‘ideal’ retirement. Your personal best will look different to other members’ and will depend on your circumstances.

As one of the largest super funds in the country, our members are diverse.

We represent people from all corners of the country – in capital cities, regional centres and small country towns.

We represent teenagers working their first jobs to retirees in their 90s.

We represent members who’ve worked part time or casually while supporting their families, and members who’ve taken us with them throughout their professional careers.

We represent members who work for around 190,000 employers across the country – members who work on shopfloors, in distribution centres and warehouses, and in head offices.

Every single one of you will have your own idea of a personal best retirement. We want to understand your goals and help you reach them.

Trusting your fund

Our ambition is to be recognised as the most trusted super fund in Australia, by our members, and by the broader community.

Trust is pivotal for an organisation like Rest. Members must have confidence in their super fund to look after their retirement savings.

Unfortunately, all super funds are operating in an environment where the public has lost faith with many businesses and organisations. For example, in six of the past eight Australian editions of the Edelman Trust Barometer, the survey respondents expressed a sense of distrust in businesses.²

Super can be complicated – even for people with reasonable levels of financial literacy. When things are hard to understand, they can be hard to trust.

That’s why it’s so important for funds like Rest to dedicate themselves to making super clearer and more accessible. If you can’t trust super, how can you be expected to engage and take control of your retirement savings earlier and more often?

The Government is currently implementing the recommendations of the Royal Commission and the Productivity Commission inquiry into superannuation. With impending changes to the system, there is a chance that this sense of confusion – and, therefore, distrust – will be exacerbated.

No matter what future changes are implemented, we are committed to demystifying super so you can better understand how to achieve your personal best retirement.

Fortunately, Rest has a great foundation to build greater trust. For the first time, we were included in the Reputation Institute’s 2019 Australia RepTrak Index³, a survey that asks more than 10,000 Australians how they feel about 60 of the country’s largest business and organisations and ranks them accordingly.

We were ranked 21st and were one of only two super funds to be included, indicating we have a strong reputation.

What comes next?

In the coming years, Rest will be dedicated to achieving our mission and ambition, by delivering on our 11 strategic programs of work.

Among a range of initiatives, this will include designing products and services that meet your diverse needs, upgrading our digital customer service systems, expanding our advice and education capabilities, and launching a new insurance offering.

You can also be assured that we are committed to advocating for your best interests as the super system continues to evolve, to ensure that continues to work well for you and all Australians.

First and foremost, though, we will continue to focus on delivering long-term investment performance for your retirement savings with the lowest-possible fees.

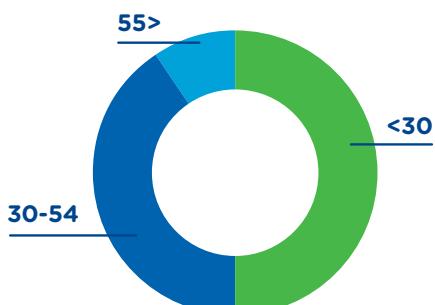
² The Edelman Trust Barometer is an annual global survey that measures peoples’ trust in key institutions like government, the media and business. A score 49 or less indicates distrust, a score of 50-59 is neutral, and 60 or more indicates trust. In the Australian editions from 2012-2019, the scores for business were 45, 44, 49, 46, 52, 48, 45, 52.

³ ‘Most Australian Corporates Stay Strong While Banking Sector Reputations Plummet; Annual study’, 2019 Australia RepTrak Index, Reputation Institute, 16 April 2019.



Total number
of Rest members
is more than

**1.96
million***



50%
of members are
younger than 30*

* As at 30 June 2019

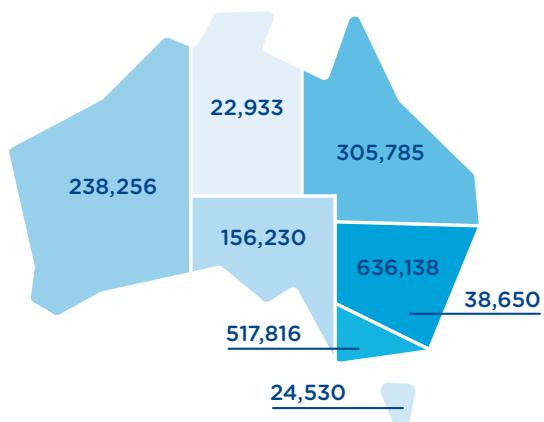
[†] During 1 July 2018 to 30 June 2019

Member gender split*

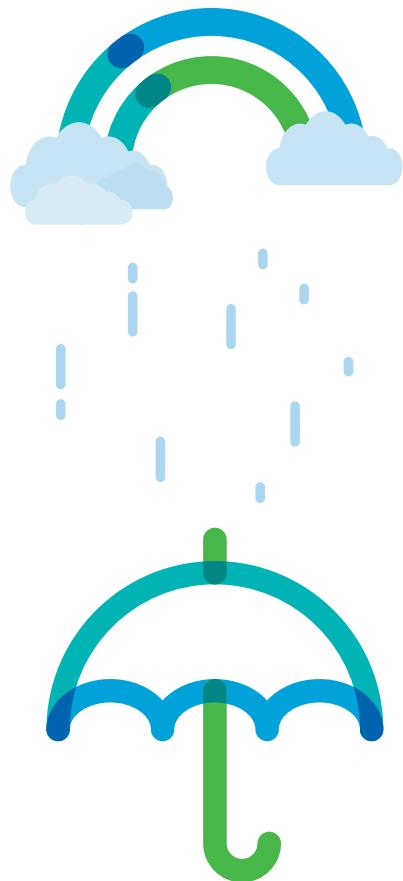
♀ 60%

♂ 40%

Members by state*



This doesn't include members who are located overseas.



76%
of members
were insured*

Approximately



190,000
employers use Rest*

80%
Employer customer
satisfaction†

New strategy for Rest

Our ambition

To be recognised as the most trusted super fund in Australia.

Our mission

Help members achieve their personal best retirement income.

Our proposition



Rest's transformation

Rest has been through a substantial transformation in recent years, with a real focus on member and employer service. There has been a significant amount of investment in digital customer experience technology, such as Roger, Live Chat and the Rest App.

Technology is critical to Rest to help our members engage with their super on their own terms earlier and more often – and, therefore, take control of their financial future.

For the next few years, Rest will use these accomplishments as a foundation to accelerate towards even better member experiences. We will continue making super and insurance easy to understand, so our members know their true value. We will continue to provide services, investment options and insurance that suit their needs.



New strategy for Rest

Key priorities



Investment expertise

Continued expertise in investments to grow our members' retirement savings over the long run



For members

Provide products, services and advice that are shaped around the needs of our members, no matter their stage of life



Affordable Insurance

Continue providing affordable and flexible insurance to as many members as possible



Technology

Further invest in technology and data to continue building outstanding customer service for our members



Super system

Advocate for a super system that works for our members and all Australians

Delivering the new strategy

Rest has commenced 11 programs of work to deliver this strategy.

01

Designing products, services and communications to better meet the diverse needs of our members

02

Continue upgrading our digital customer service systems to improve member experiences

03

Deepen our work with employers and workplaces

04

Continue expanding our education and advice capability to reach more members and meet a wider range of their needs

05

Working with our suppliers to optimise the way services are delivered

06

Transition our insurance offering from AIA Australia Ltd to TAL Life Ltd

07

Continue to expand our data and technology capabilities and management

08

Continue delivering strong returns for our members through an enhanced investment operating model

09

Continuing to expand and embed a responsible culture as part of our approach to managing risk and environmental, social and governance factors

10

Ensure Rest is an employer of choice as a powerhouse of talent

11

Continuous improvement of our processes, tools and systems to ensure we meet our regulatory obligations and manage risk



From left: Jeremy Hubbard, Brendan Daly, Vicki Doyle, Trevor Evans, Deborah Potts, Gemma Kyle, Tyrone O'Neill (not pictured: Brendan Casey).

Reshaping the organisation

As part of the drive to further enhance the customer experiences and services we provide, Rest underwent a significant transformation of its organisational structure in late 2018.

The new structure builds the capabilities needed to deliver Rest's strategic goals by supporting:

- clearer and greater accountability and ownership for key business outcomes, particularly our member and employer relationships
- ability to make decisions and deliver to customers in a more agile manner
- a more constructive culture with more collaboration; and
- stronger risk management.

Six new groups were created to combine existing complementary functions. Due to its specialised nature, the Rest Investments function was not part of this reorganisation and remained unchanged. The operating structure of Investments is instead being considered separately as a program of work as part of the new strategy.

01

Member Engagement

Group Executive: Tyrone O'Neill

Functions: Member marketing and communications, brand strategy, customer service channel management, customer analytics

02

Employer and Industry Engagement

Group Executive: Deborah Potts

Functions: relationship management with employers and industry associations, business development, Rest Advice, employer channel management

03

Product and Operations

Group Executive: Brendan Daly

Functions: Design and delivery of product, technical, insurance and administration services

04

Innovation and Transformation

Group Executive: Jeremy Hubbard

Functions: Strategy and planning, IT management, innovation, and data governance

05

Corporate Services

Group Executive: Gemma Kyle

Functions: financial management, accounting, company secretariat, legal, risk management and compliance

06

People and Change

Group Executive: Trevor Evans

Functions: talent development and management, organisational culture, human resources, and change management

People and culture

A constructive culture

To improve the experiences and services we provide to our members, Rest has deliberately and progressively shifted our workplace culture to constructive behaviours and a growth mindset.

Change has been planned and deliberate, focusing on all aspects of management, including our mission, vision, values, strategy and structure, supported by leadership development and culture change programs that were aimed to support an empowered, collaborative and challenging culture.

In 2018, Rest resurveyed culture and mindsets using the Human Synergistics OCI tool. The results revealed double-digit increases for constructive behaviours, and our employee engagement results increased by 22 per cent. These are statistically significant shifts.

A powerhouse of talent

Through our accountability, innovation and thought leadership, Rest continues to be an employer of choice. We employ a diverse workforce, attracting people from a range of industries, including finance and superannuation, who apply their skills and knowledge to achieve great personal best outcomes for members.

We invest in the professional development of our people. Rest has a quarterly cycle of goal setting where people can track their progress and have one-on-one conversations with their leaders, which includes shaping their development plans.

In 2018/19, Rest met or exceeded its retention targets with 95 per cent of new starters staying for 12 months, and 89 per cent for 24 months. Turnover remained below the industry average.

A positive workplace

Rest employs people across Australia and provides flexible work options for everyone in the business. This promotes a better work-life balance but allows our people to be on the road, holding meaningful conversations with members, employers and stakeholders.

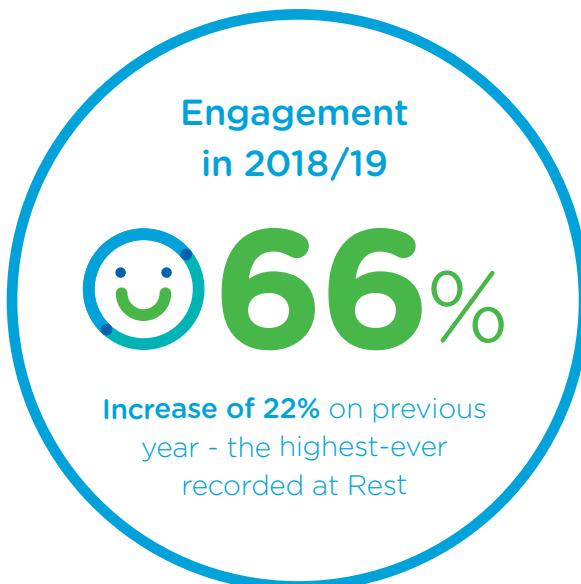
Rest provides a safe and healthy work environment. It works with the AIA Vitality program and the Employee Assistance Program to support initiatives for domestic violence, wellbeing and mental and physical health.

Why feedback matters

We survey our people twice a year to see how we can make Rest an even better place to work.

Engagement in 2018/19 was 66%. An increase of 22% on the previous year and a highest-ever recorded at Rest.

The 2019 Culture Amp engagement benchmarks for Australia and the Financial Services industry are both 70 per cent. Rest aims to exceed this benchmark in 2020.



Customer service



203,400

online Live Chats[†]

about **550** per day



595,221

questions answered
by Roger[†]

about **1,600** per day



90,053

in-App messages
from members[†]

about **250** per day



495,598

phone calls[†]

about **1,350** per day

* As at 30 June 2019

[†] During 1 July 2018 to 30 June 2019

The Rest App



254,143

registered App users*

164,155 new users since last year

about 
450 new users registered per day!

182%
year-on-year growth[†]

for new registered App users!



Members consolidated

\$179.7 million

of their retirement savings via the Rest App*



The average user rating on the App Store and Google Play rose from 2.9 to **4.1 out of five[†]**

App users log in an average


4.6x
per month[†]

The APRA self assessment

Between August 2017 and May 2018, the Australian Prudential Regulation Authority (APRA) conducted an inquiry into the Commonwealth Bank of Australia.

This followed a number of incidents that had damaged the bank's reputation in the years beforehand, including cases of poor customer outcomes.

APRA's final report of this inquiry outlined the underlying cultural and organisational factors that led to these incidents occurring, and why they weren't identified and addressed earlier.

Shortly after release of the final report, APRA asked a number of Australian financial institutions, including Rest, to assess their own organisations and consider whether they might have some of the same types of issues identified at Commonwealth Bank.

At Rest, we recognised this request as a valuable opportunity to improve. We worked diligently to identify issues that might weaken, or indicate a weakness of governance, culture and accountability across our fund.

We delivered our self assessment to APRA in December 2018. This is a summary of the process we employed and our findings.

Our approach

Rest is a fundamentally different institution to a retail bank.

- We are a profit-to-member superannuation fund. This means that any income, after costs and taxes, is reserved for the benefit of members.
- We are a small organisation, with just over 200 employees located in multiple offices.
- We have a single core business: the operation of a superannuation fund for our 1.9 million members.

Despite these differences, our scope of work considered all 35 recommendations in APRA's final report, as well as the detailed narrative across all 109 pages of the APRA report.

A working group of Rest management was established and KPMG was appointed to independently challenge key outputs from each phase of the assessment. The review process took four months. The findings were endorsed by the CEO, the Rest Leadership Team and the Rest Board.

Overall, this review provided a timely reminder that good governance and risk culture requires constant focus and vigilance.

Key findings

As a profit-to-member superannuation fund, our staff are aligned strongly to our purpose. It is one of the reasons our people are attracted to join us and is a characteristic that binds and motivates us. This culture is one of our key strengths.

Our review found that remuneration structures and practices are modest relative to the major banks and that we do not have the same sort of incentive structures that would be likely to promote misalignment of focus by management.

Risk management has always been, and continues to be, treated with the utmost importance. However, opportunities were identified to further enhance the maturity of our risk management and compliance practices, particularly through stronger oversight of our outsourced service suppliers and embedding continuous risk assessment into day-to-day operations.

Our review examined complaints handling within Rest and our customer-facing service providers. We identified the need to improve our responsiveness to member complaints and operational issues that lead to a negative experience for members.

The review found that Board and management could ensure clearer accountabilities throughout the organisation. In addition, further work is required to improve efficiency in some areas of decision making, and to embed consequence-management practices in alignment to Rest values.

Our response

The findings from our self assessment have been incorporated into Rest's strategic and business plans to ensure that they are embedded into the fabric of our organisation. Progress against these plans are tracked by the Rest Audit, Risk and Compliance Committee and reported on a regular basis to APRA. Of specific note:

- Rest has introduced a culture empowerment program which has already contributed to a shift in the way we work internally and with our suppliers to deliver stronger outcomes for members.
- We are implementing systems to better manage risk, operational incidents and complaints handling processes.
- We are working to ensure our consequence-management practices are robust, transparent and consistent. This is a critical element of good risk culture and key to ensuring staff conduct is aligned to Rest's values.
- The Rest Board has undertaken an in-depth review of its composition, focus and effectiveness. Our directors are committed to continuing this process of continuous improvement. Maximum tenures for Directors have been introduced, and new Director appointments follow a rigorous and formal assessment of the skills and experience needs of the Board to ensure success into the future.

Our transformation journey continues and many of the findings of our self assessment are also covered by work already underway, which is covered elsewhere in this annual report.



What we stand for

Rest is committed to advocating for a superannuation system that works for our members and for all Australians.

There's no doubt the system will work better for everyone if we reduce unintended multiple accounts, remove underperforming funds, and continue to ensure that members' insurance is providing great value.

Furthermore, there have been some fundamental and important changes in the way Australians work and in how we approach and plan for retirement.

However, we mustn't lose sight of the fact that superannuation is broadly working well. It's helping Australians prepare for retirement and protecting them and their families with valuable insurance.

Constant tinkering also confuses people, so it's important that we get any changes right the first time and then allow them to take effect and build some stability in the system.

Rest is determined to play a key role in shaping any future reforms so they result in the best possible outcome for our members, and all Australians.

As the system continues to evolve, there are several crucial factors that must be considered in future policy design:

- Barriers to women, particularly women in regional areas, in achieving financial security in retirement.
- The impacts of home ownership versus non-home ownership, and debt on retirement adequacy, especially for those on lower incomes.
- The impacts of Australia's changing workforce with the rise of the gig economy, as more Australians hold multiple jobs.
- Barriers to the provision of affordable and flexible financial advice through superannuation.
- The continuing importance of group insurance in ensuring retirement adequacy.

Rest looks forward to working with the Government and the industry to help bridge the retirement income gap for women and ensure the superannuation system supports those who work in more than one job, and for people who rent as well as for those who own their own home.

Royal Commission

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry commenced in December 2017, and provided a final report to the Australian Government on February 2019.

The Royal Commission was an incredibly important review. It raised a number of serious issues and identified a way forward for the financial services industry to make crucial improvements and start to regain the trust of the Australian public.

Rest supported the Royal Commission throughout the process, and closely examined the 76 recommendations contained in the final report.

There are a number of other recommendations that will apply to the superannuation industry, including:

- Extend the Banking Executive Accountability Regime (BEAR) to superannuation funds. Rest is preparing for the introduction of these new requirements.
- Prevent super funds from providing employers with goods or services that could influence them in choosing a default fund for their employees – known as 'treating'.
- Ban the deduction of advice fees from default MySuper accounts, other than for intra-fund advice.
- Limit the deduction of advice fees from choice super accounts and provide members information on the services they will receive each year so they can provide consent on regular, ongoing basis.
- Banning hawking, or unsolicited offers or sales, of superannuation.

There were also recommendations that apply to insurance, including a review of potential universal terms, definitions and exclusions, and applying higher standards to claims handling processes.

Rest will be working closely with Government and the superannuation industry as the legislation is introduced, to ensure that any changes are working in the best interests of our members.

Rest also appeared as a case study during round six of the Royal Commission in September 2018, which focused on insurance.

We take our obligation to act in the best interests of our members seriously. We insured around 1.5 million members during 2018/19 – the equivalent of one-in-eight working Australians.¹

The hearing referred to some historic Rest Death and TPD claims in which insurance cover ceased in accordance with minimum balance and employment status clauses.

We regularly review our insurance products and processes and we learn from every claims experience. Our insurance policy terms are designed to ensure the sustainability of our insurance offering for all our members.

The final report also referred to a breach of the Superannuation Industry (Supervision) Act, in which Rest did not provide reasons in our responses to people who made a complaint about our decision on a death benefit payment.

We aim always to be clear, simple and transparent in our communications. A new process was established in December 2018, meaning our communications on such matters now include detailed reasons for Rest's decisions.

¹ As at 30 June 2019, Australia's labour force comprised approximately 12.87 million seasonally adjusted employed persons ('6202.0 - Labour Force, Australia, Jun 2019', Australian Bureau of Statistics, 18 July 2019).

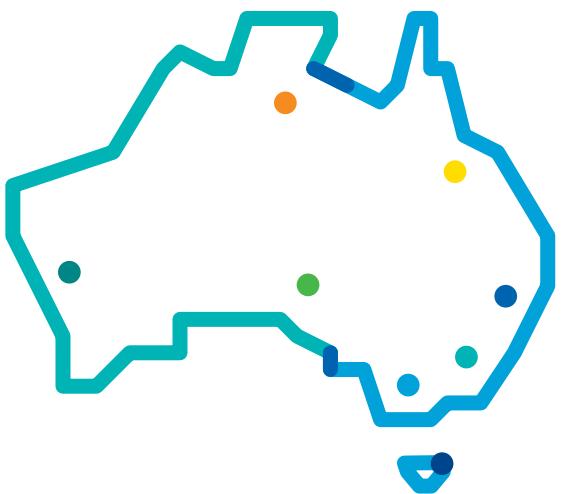


Advice and education



The **customer satisfaction** score for advice over the phone[†] was:

95%



Rest held **542** **education seminars in Australia[†]**

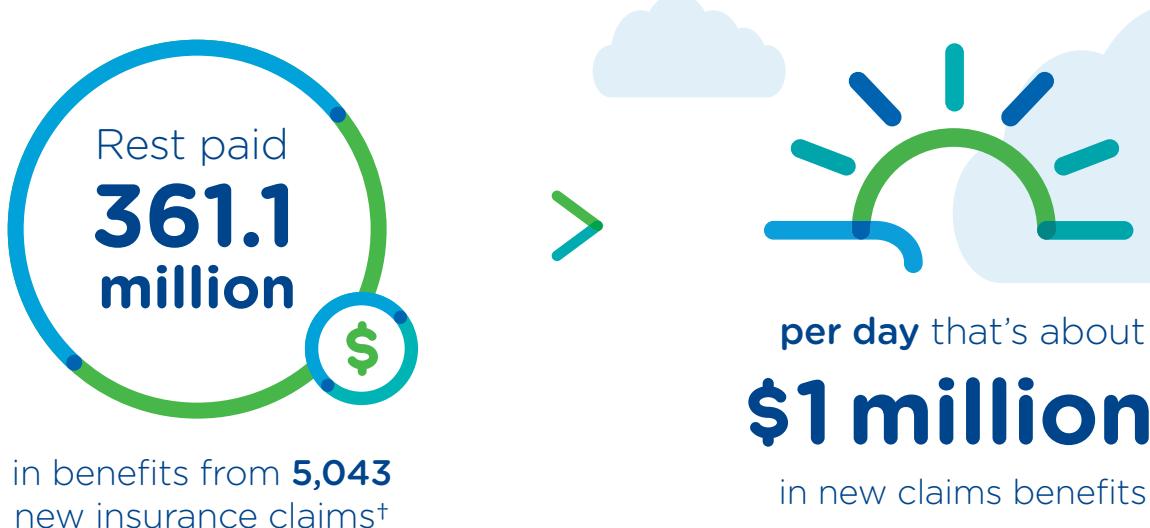
- **NSW:** Port Macquarie, Batemans Bay, Orange, Hornsby, Liverpool, Bondi
- **Vic:** Sale, Box Hill, Warrnambool, Sunbury, Chadstone, Echuca
- **WA:** Innaloo, Brusselton, Fremantle, Kalamunda, Albany
- **ACT:** Canberra
- **NT:** Fannie Bay
- **SA:** Mt Barker, Victor Harbor, Gawler
- **Qld:** Cairns, Maroochydore, Redlands, Nerang, Ipswich
- **Tasmania:** Hobart, Launceston

* As at 30 June 2019

[†] During 1 July 2018 to 30 June 2019

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Insurance



3,059

Income Protection claims[†]

\$45.6 million in benefits



870

Death claims[†]

\$194.9 million in benefits



892

Total and Permanent Disability claims[†]

\$68.5 million in benefits



222

Terminal Illness claims[†]

\$52.1 million in benefits

Rest also paid an additional **\$93.6 million** in benefits from claims admitted from previous years, meaning an overall total of **\$454.7 million** in benefits were paid.[†]

Rest selects new insurer

In May 2019, Rest announced it was entering a Memorandum of Understanding with TAL Life Ltd (TAL) to provide life insurance to Rest members from 1 December 2019.

Rest is committed to providing affordable and flexible insurance as part of superannuation to our members, and we believe TAL's insurance offer represents real value for members.

We also continue to invest in innovation and technology to improve the member experience, and we believe TAL is the right insurance provider to help us meet this strategic goal.

Rest regularly reviews our insurance arrangements to ensure we are always providing the best-possible value to members. Starting in May 2018, Rest embarked on a comprehensive review of its insurance arrangements and invited tenders from prospective insurance providers.

Further details about the new insurance offering with TAL were communicated to members from 18 November 2019. The offering is designed to provide simple, flexible cover, representing value for members' money.

For more information, please visit go.rest.com.au/insurance-changes

Rest's investment returns

Balancing risk and reward

Rest delivered a positive return to members in the Core Strategy for the 10th consecutive year in 2018/19.

The Rest Super Core Strategy delivered a return of 5.96 per cent for the year ending 30 June 2019, and a 10-year return of 8.95 per cent per annum. The Rest Pension Core Strategy delivered a return of 6.85 per cent for the year ending 30 June 2019, and a 10-year return of 9.85 per cent per annum.

The year in review

Rest's investment approach is to actively manage our portfolio based on opportunities and risk, and focus on long-term performance rather than shorter-term growth.

The 2018/19 financial year may have ended with share markets back at all-time highs, but it was an unpredictable, highly volatile, ride.

There were a number of events here and across the globe that led to market fluctuations, including trade wars and truces, Brexit, tensions in the Middle East, global monetary policy reversals, negative interest rates, oil price spikes and runaway iron ore prices, and a financial services Royal Commission.

Investor confidence globally was bolstered by many central banks around the world, including Australia's Reserve Bank, demonstrating a willingness to pre-emptively cut rates in order to stem rising risks from deflation, trade threats and a slowing global economy. After successive rate increases during 2018, even the US Federal Reserve flagged the potential for a rate cut in the near future.

Aussie financial markets showed remarkable resilience in the face of weak economic growth, worsening US-China trade relations, and cooling property prices. Local shares were boosted by the unexpected Australian federal election result in May and the RBA rate cut in June.

However, keeping interest rates too low for too long, can have unintended consequences, including widespread price distortions and asset bubbles. There's increasing concern that this recovery is built on cheap debt, not economic fundamentals.

There are a number of ongoing uncertainties, such as Brexit and US-China trade tensions, that have the potential to quickly derail investor confidence in the future.

With all this in mind, we adopted a more defensive position in the Core Strategy during the financial year than some other comparable funds¹, with a reduced exposure to share markets. By 30 June 2019, our allocation to shares had been reduced to about 40 per cent.

Although this means your investments may not benefit as much from any short-term share market growth, it also means they won't be as impacted should a significant downturn occur. Should markets fall, we would also have cash reserves available to pick up assets at better value.

Rest has followed this risk-managed, long-term investment approach for many years, and it has served members successfully during previous periods of market turmoil such as the Global Financial Crisis.



¹ Based on SuperRatings Fund Crediting Survey-SR 50 Balanced (60-76) Index. Past performance is not an indicator of future performance.

Changes to Rest's investment options

In order to give our members greater choice of how their retirement savings are invested, Rest has introduced three index investment options featuring 0 per cent, per annum investment management fees.

The three passively managed investment options are designed to complement Rest's actively managed Core Strategy default option, and are aimed at members who are looking to add a low-cost solution to their portfolio.

Rest had seen interest in low-cost investment options from our members. We are pleased to provide them with additional choices to take greater control of their financial future through their super fund, selecting options that best suit their needs.

We also made some changes to simplify our range of cash investment options. From 1 April 2019, we closed our Cash Plus option and refreshed our Cash option.

The new-look Cash option has a refreshed asset allocation and lower investment fees. Members who were in Cash Plus were automatically transferred on 1 April unless they chose a different option.

For more information about all our new investment options, please refer to pages 28 to 32 of this report or visit rest.com.au/member/investments





The year's big deals

Collgar Wind Farm

In June 2019, Rest agreed to fully acquire the Collgar Wind Farm in Western Australia, making it one of the largest Australian renewable energy projects directly owned by an Australian super fund.

Rest has been involved with Collgar since construction began in 2010, and previously held a 40 per cent stake in the project. Rest agreed to acquire the remaining 60 per cent from UBS Asset Management's Real Estate & Private Markets Infrastructure business.

The wind farm is a premium infrastructure asset that has delivered strong returns for Rest members. Taking full ownership is a great opportunity to drive further value from the asset and strengthen Rest's infrastructure portfolio.

The project has and is expected to continue to generate sustainable cash flows. Renewable energy projects like this will also continue to play an important role in Australia's future.

Collgar is the largest wind farm in WA, built on 18,000 hectares of land with a total capacity of 206 Megawatts. It generates, on average, between 40 and 50 per cent of the state's renewable electricity. This is enough to power up to 170,000 average WA households per year and displace up to 690,000 tonnes of carbon dioxide emissions per year.

Long Beach Container Terminal

In April 2019, Rest was part of a consortium that agreed to acquire the Long Beach Container Terminal in the US.

The terminal is located in the Port of Long Beach, California which, together with the neighbouring Port of Los Angeles, is part of the largest container port complex in the United States.

The terminal has one of the deepest berths and the fastest truck turnaround times of any facility in the combined Long Beach-Los Angeles complex. It can accommodate vessels capable of carrying up to 24,000 standard 20-foot containers.

The terminal uses electric autonomous guided vehicles and automated stacking cranes, which have improved productivity and safety, and minimised greenhouse gas emissions.

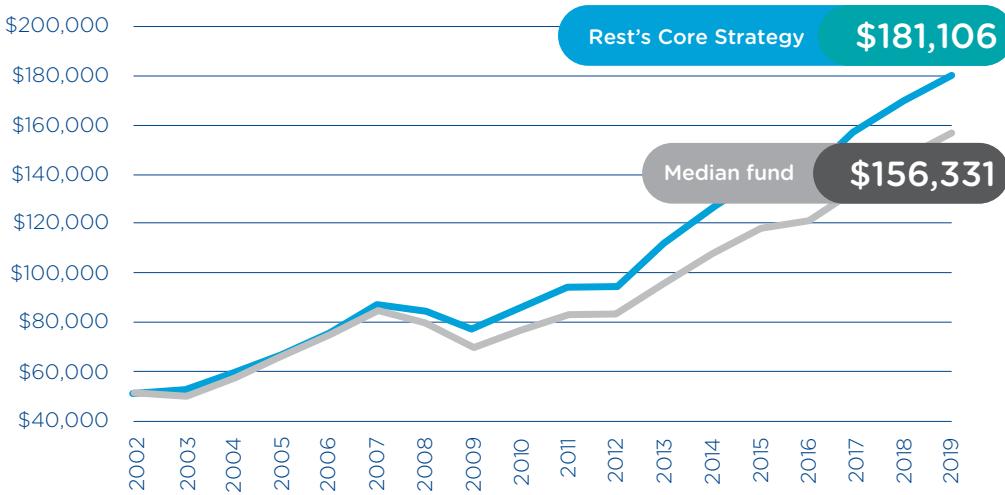
The consortium is led by Macquarie Infrastructure Partners.

Eclipse Tower

In August 2018, Rest agreed to sell the Eclipse Tower in Parramatta to GPT Group, taking advantage of strong demand for Australian commercial real estate.

Rest purchased Eclipse Tower in November 2012. Located in a prime location at 60 Station Street in Sydney's 'second CBD', the asset delivered a strong return for members.

This is another demonstration of the benefits of Rest's active investment management approach, particularly in the property portfolio.



This graph shows the difference that superior returns can have on your super balance. Importantly, it does not take into account the impact of fees or insurance. Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

The graph shows the impact of investment returns on an account balance of \$50,000 invested on 30 June 2002 up to 30 June 2019, assuming no contributions, redemptions or investment switches over the period.

Rest's Core Strategy is being compared to the median balanced super fund results in the SuperRatings Fund Crediting Survey-SR 50 Balanced (60-76) Index.

Returns have been calculated net of all applicable fees and taxes. Past performance is not an indicator of future performance.

SuperRatings Pty Limited does not issue, sell, guarantee or underwrite this product. Go to superratings.com.au for details of its ratings criteria. Ratings, awards or investment returns are only one factor that you should consider when deciding how to invest your super.

How we invest responsibly on your behalf

Managing your retirement savings is serious business. We are responsible for helping our members achieve the best retirement outcome by ensuring our decisions are in their best financial interests.

We believe that investing sustainably is an important part of managing financial risk and generating competitive, long-term returns for our members. This involves considering a broad range of matters, including environmental, social and governance (ESG) factors. When Rest invests through investment managers, we expect them to adequately address ESG matters in their processes and investment decisions.

We may also at times decide to exclude certain types of investments from our portfolio based on several factors, including labour, environmental, social or ethical standards. For example, Rest will not invest in companies that are directly involved in the manufacture of tobacco or controversial munitions such as landmines, cluster bombs and chemical weapons. Managing sustainability and considering the impacts of our investment decisions is just another way Rest can help give our members confidence in their financial future.

Rest is a member of the Australian Council of Superannuation Investors (ACSI), an organisation that collaborates with Australian and international asset owners on ESG advocacy, and the Principles of Responsible Investment.

Climate change

Climate change will impact the global economy in the short, medium and long term. The ongoing transition to a lower-carbon economy drives us to continually manage risks to deliver strong investment performance over time.

Climate change risks are factored into our investment strategy and decision-making process, including asset allocation and strategy reviews, as well as in the selection and review of our investment managers.

We work with our investment managers, our investment adviser, and ACSI to engage with the companies and entities we invest in, and to improve disclosure of climate change risks and opportunities.

For more information about sustainable investing, and to read our Climate Change Position Statement, please visit rest.com.au/member/investments/approach-to-sustainable-investing

Investment returns

Rest Super investment options

Investment options	10-year (% pa)	7-year (% pa)	5-year (% pa)	3-year (% pa)	1-year (% pa)
Core Strategy	8.95	9.72	7.37	8.58	5.96
Cash Plus*	2.98	2.42	1.99	1.83	1.50
Capital Stable	6.32	6.08	4.93	5.24	4.24
Balanced	7.63	7.90	6.30	6.92	5.07
Balanced – Indexed	N/A	N/A	N/A	N/A	N/A
Diversified	9.16	10.16	7.95	8.91	6.25
High Growth	10.12	11.64	9.05	10.34	6.95
Basic Cash	2.44	1.91	1.68	1.52	1.60
Cash	2.89	2.27	2.02	1.91	1.97
Bonds	5.72	4.23	3.47	3.33	5.31
Property	7.72	9.35	10.18	10.67	9.52
Shares	11.33	14.06	10.51	12.82	8.64
Australian Shares	10.93	12.60	9.56	12.44	6.83
Australian Shares – Indexed	N/A	N/A	N/A	N/A	N/A
Overseas Shares	10.97	14.57	10.63	12.62	9.33
Overseas Shares – Indexed	N/A	N/A	N/A	N/A	N/A

Rest's investment strategy

Rest's primary investment goal is to grow members' savings by delivering net returns above the rate of inflation (referred to as real net returns) over the long term. The central tenet of Rest's investment philosophy is the active management of Rest's investments in order to meet the published investment objectives of the investment options. The Trustee actively manages the asset allocation and selection of investment managers employed within each asset class (with the exception of Basic Cash).

Rest's investment approach is to retain a mix of managers employing different investment management styles to build diversified portfolios of investments. An Investment Adviser is retained by Rest to advise the Trustee in setting the asset allocation of the Core Strategy and the Structured Options and in the selection of investment managers whose investment process and expertise will help the Trustee meet the investment objectives of each of Rest's investment options.

Rest Pension investment options

Investment options	10-year (% pa)	7-year (% pa)	5-year (% pa)	3-year (% pa)	1-year (% pa)
Core Strategy	9.85	10.60	7.94	9.49	6.85
Cash Plus*	3.52	2.85	2.35	2.17	1.72
Capital Stable	7.17	6.78	5.47	5.86	4.81
Balanced	8.51	8.73	6.90	7.64	5.72
Balanced – Indexed	N/A	N/A	N/A	N/A	N/A
Diversified	10.13	11.17	8.64	9.76	7.02
High Growth	11.11	12.73	9.82	11.34	7.87
Cash	3.45	2.71	2.42	2.26	2.33
Basic Cash	2.89	2.23	1.97	1.78	1.89
Bonds	6.66	4.89	4.01	3.85	6.13
Property	8.63	10.36	11.18	11.69	10.34
Shares	12.24	15.20	11.21	14.02	9.93
Australian Shares	11.92	13.70	10.19	13.73	9.22
Australian Shares – Indexed	N/A	N/A	N/A	N/A	N/A
Overseas Shares	12.08	16.12	11.58	13.74	9.94
Overseas Shares – Indexed	N/A	N/A	N/A	N/A	N/A

* Cash Plus was closed on 1 April 2019, so the returns for all periods are as at 31 March 2019. All other investment options returns are as at 30 June 2019.

Rest's calculation of returns

Unless otherwise stated, returns are net of investment fees and tax, except in the case of Rest Pension options (other than Transition to Retirement Pensions), which are untaxed. The earnings applied to members' accounts may differ. Investment returns are at the investment option level and are reflected in the unit prices for those options. Returns for the three, five, seven and 10-year periods are annualised returns. 'N/A' applies to options running less than the indicated periods. Past performance is not an indication of future performance. For more information, visit rest.com.au/member/investments/performance

Investment options

The following tables outline how our assets are structured according to the investment options. As at 30 June 2019, Rest has no more than five per cent of funds under management invested in any one investment asset. The investment option returns on the following pages are quoted as at 30 June each year, and are current as at 30 June 2019.

Rest allows some of its investment managers to use derivatives to:

- protect a portfolio's value
- change the interest rate sensitivity of cash and fixed-interest portfolios
- rapidly change market exposure
- modify exposure to foreign currency.

Investment options

Core Strategy			Structured options																																				
Aim¹	Achieve a balance of risk and return by investing in both growth assets and defensive assets.		Cash Plus (up to 31 March 2019)	Maintain the purchasing power of funds invested by earning above cash returns, while minimising the risk of any capital loss.	Capital Stable																																		
Investment return objective²	CPI + 3% pa over the long-term (rolling 10-year periods).			Outperform the Bloomberg AusBond Bank Bill Index (before tax and after fees) over the short-term (rolling 2-year periods).	CPI + 1% pa over the medium-term (rolling 4-year periods).																																		
Asset allocation³	24% defensive, 76% growth A balanced mix of shares and bonds (both Australian and overseas), property, infrastructure, cash and other asset classes.		100% defensive Cash plus a small allocation to Defensive Alternatives. Cash consists of a portfolio of securities with a low level of interest rate risk (12 months or less), including bank deposits, bank bills, commercial paper and floating rate notes, for example, residential mortgage backed securities.		62% defensive, 38% growth Mainly bonds (both Australian and overseas) and cash, with smaller proportions of shares (both Australian and overseas), property, infrastructure and other asset classes.																																		
	 <table border="1"> <tr> <td>Cash</td> <td>8% (0-25%)</td> </tr> <tr> <td>Bonds</td> <td>6% (5-50%)</td> </tr> <tr> <td>Defensive alternatives</td> <td>10% (0-25%)</td> </tr> <tr> <td>Growth alternatives</td> <td>19% (0-30%)</td> </tr> <tr> <td>Infrastructure</td> <td>8% (0-20%)</td> </tr> <tr> <td>Property</td> <td>9% (0-25%)</td> </tr> <tr> <td>Australian shares</td> <td>17% (10-45%)</td> </tr> <tr> <td>Overseas shares</td> <td>23% (10-45%)</td> </tr> </table>	Cash	8% (0-25%)	Bonds	6% (5-50%)	Defensive alternatives	10% (0-25%)	Growth alternatives	19% (0-30%)	Infrastructure	8% (0-20%)	Property	9% (0-25%)	Australian shares	17% (10-45%)	Overseas shares	23% (10-45%)	 <table border="1"> <tr> <td>Cash securities</td> <td>90%</td> </tr> <tr> <td>Defensive alternatives</td> <td>10%</td> </tr> </table>	Cash securities	90%	Defensive alternatives	10%	 <table border="1"> <tr> <td>Cash</td> <td>32%</td> </tr> <tr> <td>Bonds</td> <td>16%</td> </tr> <tr> <td>Defensive alternatives</td> <td>14%</td> </tr> <tr> <td>Growth alternatives</td> <td>10%</td> </tr> <tr> <td>Infrastructure</td> <td>4%</td> </tr> <tr> <td>Property</td> <td>5%</td> </tr> <tr> <td>Australian shares</td> <td>8%</td> </tr> <tr> <td>Overseas shares</td> <td>11%</td> </tr> </table>	Cash	32%	Bonds	16%	Defensive alternatives	14%	Growth alternatives	10%	Infrastructure	4%	Property	5%	Australian shares	8%	Overseas shares	11%
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Minimum timeframe	10+ years		2+ years		4+ years																																		
Standard Risk Measure⁴	3 to less than 4		less than 0.5 of a year		1 to less than 2																																		
Risk band & level⁵	5, Medium to High		1, Very Low		3, Low to Medium																																		
What this option has returned⁶ (Past performance is not an indication of future performance)	Year	Super/Acumen	Pension	Year	Super/Acumen	Pension	Year	Super/Acumen	Pension																														
	2015	9.47%	9.93%	2015	2.72%	3.16%	2015	7.17%	8.00%																														
	2016	1.82%	1.56%	2016	1.78%	2.09%	2016	1.81%	1.86%																														
	2017	11.07%	12.40%	2017	2.21%	2.67%	2017	6.97%	7.96%																														
	2018	8.76%	9.30%	2018	1.42%	1.66%	2018	4.53%	4.83%																														
	2019	5.96%	6.85%	2019	1.50%	1.72%	2019	4.24%	4.81%																														
	Annualised return (pa)			Annualised return (pa)			Annualised return (pa)																																
	5-year	7.37%	7.94%	5-year	1.99%	2.35%	5-year	4.93%	5.47%																														
	10-year	8.95%	9.85%	10-year	2.98%	3.52%	10-year	6.32%	7.17%																														

More information about these options and footnotes and are included on page 32.

Balanced

Achieve a balance of risk and return by investing in approximately equal proportions of growth assets and defensive assets.

CPI + 2% pa over the medium-term (rolling 6-year periods).

43% defensive, 57% growth

A mix of shares and bonds (both Australian and overseas), property, infrastructure, cash and other asset classes.



● Cash	20%
● Bonds	10%
● Defensive alternatives	13%
● Growth alternatives	14%
● Infrastructure	6%
● Property	6%
● Australian shares	13%
● Overseas shares	18%

Balanced-Indexed

Achieve the investment objective through an indexed based investment in a mixture of growth and defensive assets.

Perform in line with the benchmark return (before tax) over all time periods. The benchmark is calculated using the S&P/ASX300 Accumulation Index, the MSCI World ex-Australia ex-Tobacco Net Dividends Reinvested Index, the Bloomberg AusBond Composite 0+ Years Index, the JP Morgan Government Bond Index - Global Hedged in AUD and the Bloomberg AusBond Bank Bill Index.

25% defensive, 75% growth



● Cash	5%
● Bonds	20%
● Australian Shares	30%
● Overseas Shares	45%

Diversified

Achieve strong returns over the longer term by investing in a diversified mix of assets weighted towards shares and other growth assets.

CPI + 3% pa over the long-term (rolling 10-year periods).

23% defensive, 77% growth

Australian and overseas shares, property, infrastructure, other asset classes plus smaller amounts of bonds (both Australian and overseas) and cash.



● Cash	7%
● Bonds	7%
● Defensive alternatives	9%
● Growth alternatives	17%
● Infrastructure	8%
● Property	8%
● Australian shares	19%
● Overseas shares	25%

6+ years

2 to less than 3

4, Medium

12+ years

4 to less than 6

6, High

10+ years

3 to less than 4

5, Medium to High

Year	Super/Acumen	Pension
2015	8.99%	9.93%
2016	1.87%	1.81%
2017	9.26%	10.50%
2018	6.45%	6.76%
2019	5.07%	5.72%

What this option has returned

Not available, as this option commenced in 2018.

Year	Super/Acumen	Pension
2015	11.26%	12.40%
2016	2.01%	1.82%
2017	11.84%	13.28%
2018	8.71%	9.08%
2019	6.25%	7.02%

Annualised return (pa)

5-year	6.30%	6.90%
10-year	7.63%	8.51%

Annualised return (pa)

5-year	7.95%	8.64%
10-year	9.16%	10.13%

More information about these options and footnotes and are included on page 32.

Investment options

Structured options			Member-tailored options																																																																																	
Aim¹	High Growth		Basic Cash		Cash																																																																															
Maximise returns over the long-term by investing predominantly in growth assets.			Achieve the investment objective by maintaining a defensive investment in short term bank and Australian government cash, debt securities and deposits.		Achieve the investment objective by maintaining a defensive investment in bank deposits.																																																																															
Investment return objective²	CPI + 4% pa over the very long-term (rolling 12-year periods).		Match the return of the Reserve Bank cash rate target before tax and before fees over rolling 1-year periods.		Outperform the return of the Reserve Bank cash rate before tax and fees over rolling 1-year periods.																																																																															
Asset allocation³	7% defensive, 93% growth Australian and overseas shares, property, infrastructure and other asset classes.	 <table border="1"> <tr> <td>Defensive alternatives</td> <td>7%</td> </tr> <tr> <td>Growth alternatives</td> <td>20%</td> </tr> <tr> <td>Infrastructure</td> <td>8%</td> </tr> <tr> <td>Property</td> <td>9%</td> </tr> <tr> <td>Australian shares</td> <td>24%</td> </tr> <tr> <td>Overseas shares</td> <td>32%</td> </tr> </table>	Defensive alternatives	7%	Growth alternatives	20%	Infrastructure	8%	Property	9%	Australian shares	24%	Overseas shares	32%	100% defensive The portfolio will invest in deposits with, or short-term discount securities (bank bills and negotiable certificates of deposit) issued by, banks rated at least AA- at the time of purchase. It may also invest in short-dated debt issued and guaranteed by the Australian Commonwealth or State Governments. All securities will have a maximum term to maturity of three months.	 <table border="1"> <tr> <td>Cash</td> <td>100%</td> </tr> </table>	Cash	100%	100% defensive From 1 April 2019 Deposits with banks rated at least AA- at the time the deposit is made. The portfolio invests exclusively into deposits with Australia and New Zealand Banking Group Limited (ANZ).																																																																	
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More information about these options and footnotes and are included on page 32.

Bonds	Property	Shares
Achieve the investment objective by holding a mixture of Australian & overseas government and corporate bonds.	Achieve the investment objective by investing in a mixture of Australian and overseas property assets.	Achieve the investment objective through an investment in the Australian and Overseas Shares asset class.
Outperform the benchmark return (before tax and after fees) over rolling 2-year periods. The benchmark is calculated using the Bloomberg AusBond Composite Bond Index, Bloomberg AusBond Inflation Linked Bond Index and FTSE World Government Bond Index (hedged into \$AUD).	Outperform both the Mercer/IPD Australian Pooled Property Fund Index (before tax and after fees) over rolling 3-year periods and the 10-year bond rate plus 3% pa over rolling 5-year periods.	Outperform the benchmark return (before tax and after fees) over rolling 3-year periods. The benchmark is calculated using the S&P/ASX 300 Accumulation Index and the MSCI All Country World ex-Australia Index in AUD.
100% defensive A mixture of Australian and overseas debt securities issued by Governments, semi-government authorities and companies.	100% growth	100% growth A mixture of Australian and overseas shares.



● Bonds 100%



● Property 100%



● Australian Shares 40%
● Overseas Shares 60%

4+ years

10+ years

12+ years

2 to less than 3

3 to less than 4

4 to less than 6

4, Medium

5, Medium to High

6, High

Year	Super/Acumen	Pension
2015	5.80%	6.72%
2016	1.62%	1.85%
2017	3.73%	4.33%
2018	1.00%	1.15%
2019	5.31%	6.13%

Year	Super/Acumen	Pension
2015	6.01%	6.78%
2016	12.99%	14.16%
2017	11.77%	12.92%
2018	10.74%	11.84%
2019	9.52%	10.34%

Year	Super/Acumen	Pension
2015	15.41%	16.87%
2016	-0.57%	-1.84%
2017	15.84%	17.54%
2018	14.11%	14.73%
2019	8.64%	9.93%

Annualised return (pa)

Annualised return (pa)

Annualised return (pa)

5-year	3.47%	4.01%
10-year	5.72%	6.66%

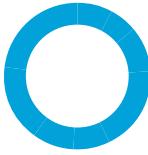
5-year	10.18%	11.18%
10-year	7.72%	8.63%

5-year	10.51%	11.21%
10-year	11.33%	12.24%

More information about these options and footnotes and are included on page 32.

Investment options

Member-tailored

	Australian Shares	Australian Shares - Indexed	Overseas Shares																																																
Aim¹	Achieve the investment objective through an actively managed investment in the Australian Shares asset class.	Achieve the investment objective through an index based investment in Australian Shares.	Achieve the investment objective through an investment in Overseas Shares.																																																
Investment return objective²	Outperform the S&P/ASX 300 Accumulation Index (before tax and after fees) over rolling 3-year periods.	Perform in line with the benchmark S&P/ASX 300 Accumulation Index (before tax) over all time periods.	Outperform the MSCI All Country World ex-Australia Index in AUD (before tax and after fees) over rolling 3-year periods.																																																
Asset allocation³	100% growth	100% growth	100% growth																																																
																																																			
	● Australian shares 100%	● Australian shares 100%	● Overseas shares 100%																																																
Minimum timeframe	12+ years	12+ years	12+ years																																																
Standard Risk Measure⁴	6 years or greater	6 years or greater	4 to less than 6																																																
Risk band & level⁵	7, Very High	7, Very High	6, High																																																
What this option has returned⁶ (Past performance is not an indication of future performance)	<table border="1"> <thead> <tr> <th>Year</th> <th>Super/Acumen</th> <th>Pension</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>7.49%</td> <td>8.48%</td> </tr> <tr> <td>2016</td> <td>3.32%</td> <td>1.79%</td> </tr> <tr> <td>2017</td> <td>13.98%</td> <td>15.36%</td> </tr> <tr> <td>2018</td> <td>16.74%</td> <td>16.76%</td> </tr> <tr> <td>2019</td> <td>6.83%</td> <td>9.22%</td> </tr> </tbody> </table> <p>Annualised return (pa)</p> <table border="1"> <thead> <tr> <th>5-year</th> <th>9.56%</th> <th>10.19%</th> </tr> </thead> <tbody> <tr> <td>10-year</td> <td>10.93%</td> <td>11.92%</td> </tr> </tbody> </table>	Year	Super/Acumen	Pension	2015	7.49%	8.48%	2016	3.32%	1.79%	2017	13.98%	15.36%	2018	16.74%	16.76%	2019	6.83%	9.22%	5-year	9.56%	10.19%	10-year	10.93%	11.92%	<p>What this option has returned</p> <p>Not available, as this option commenced in 2018.</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Super/Acumen</th> <th>Pension</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>20.46%</td> <td>22.74%</td> </tr> <tr> <td>2016</td> <td>-3.69%</td> <td>-4.23%</td> </tr> <tr> <td>2017</td> <td>16.69%</td> <td>18.51%</td> </tr> <tr> <td>2018</td> <td>11.95%</td> <td>12.95%</td> </tr> <tr> <td>2019</td> <td>9.33%</td> <td>9.94%</td> </tr> </tbody> </table> <p>Annualised return (pa)</p> <table border="1"> <thead> <tr> <th>5-year</th> <th>10.63%</th> <th>11.58%</th> </tr> </thead> <tbody> <tr> <td>10-year</td> <td>10.97%</td> <td>12.08%</td> </tr> </tbody> </table>	Year	Super/Acumen	Pension	2015	20.46%	22.74%	2016	-3.69%	-4.23%	2017	16.69%	18.51%	2018	11.95%	12.95%	2019	9.33%	9.94%	5-year	10.63%	11.58%	10-year	10.97%	12.08%
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Each of our investment options is designed for members with the investment objectives, risk tolerance and investment time horizon that is set out in the table above for that investment option.

Investment options with an exposure to the Australian shares asset class may include companies listed in Australia but are based overseas. In addition, up to 10% of this asset class may be invested in stocks listed on the New Zealand Stock Exchange.

¹ Aim – This is the goal or objective of the investment option.

² Investment return objective – This is what we use to determine asset allocation. It is also used to measure if the investment objective is met. It is not a guaranteed rate of return. Rest does not use the return Target (shown in the Product Dashboard available at rest.com.au/dashboard) to set the Investment return objective.

³ Asset allocation – For the Core Strategy option, the asset allocation will vary year to year within the ranges shown in brackets. This also means the allocation to defensive assets and growth assets will vary from time to time.

For all options other than the Core Strategy:

- The allocation to an individual asset class may vary by +/-5% from the benchmark allocation shown, but not below 0% or more than 100% for an individual asset class
- Where an option does not currently have a benchmark allocation to Cash, an allocation of up to 5% may be introduced
- The overall allocation to growth assets and defensive assets may vary by +/-10% from the allocation shown.

We reserve the right to vary the asset allocations, including the benchmarks and ranges, of all or any of the investment options, introduce new options, or close or terminate existing options without prior notice (where permitted by law).

⁴ Standard Risk Measure – This is a guide as to the likely number of negative annual returns expected over any 20-year period. See 'What is the Standard Risk Measure?' at rest.com.au/srm

⁵ The Risk band and Risk level is based on the Standard Risk Measure. The Standard Risk Measure includes seven risk bands, from one (very low risk) to seven (very high risk).

⁶ What this option has returned – returns are net of investment fees and taxes as at 30 June. The returns are based on the valuation of the underlying assets as at 30 June. However, Cash Plus was closed on 1 April 2019, so the returns for 2019, and the five and 10-year annualised returns for this option are as at 31 March 2019. Cash Plus returns displayed for 2015, 2016, 2017 and 2018 are as at 30 June.

Overseas Shares – Indexed

Achieve the investment objective through an index based investment in Overseas Shares.

Perform in line with the MSCI World ex-Australia ex-Tobacco Net Dividends Reinvested Index (unhedged in AUD) (before tax) over all time periods.

100% growth



● Overseas shares 100%

12+ years

4 to less than 6

6, High

What this option has returned

Not available, as this option commenced in 2018.



Investment managers

Rest's investment managers as at 30 June 2019

Asset class	Investment manager	% of assets managed for Rest
Australian Shares	Allan Gray Australia Pty Ltd	1.7
	Balanced Equity Management Pty Ltd	4.8
	Cooper Investors Pty Ltd	3.7
	Ethical Partners Funds Management Pty Ltd	0.9
	Greencape Capital Pty Limited	2.8
	Paradice Investment Management Pty Ltd	4.4
	Renaissance Smaller Companies Pty Ltd	1.0
	Super Investment Management Pty Ltd*	1.8
	Ubique Asset Management Pty Ltd	1.3
		22.4
Overseas Shares	Artisan Partners Ltd Partnership	1.3
	Cooper Investors Pty Ltd	1.4
	Global Thematic Partners LLC	1.9
	GQG Partners LLC	0.4
	Holowesko	3.8
	Hosking Partners LLP	3.5
	Longview Partners LLP	1.3
	MFS International (UK) Limited	4.1
	Northcape Capital Pty Ltd	2.0
	Paradice Investment Management Pty Ltd	1.7
	Stewart Investors	1.0
	Wellington Management Australia Pty Ltd	2.9
		25.2
Property	Charter Hall Funds Management Ltd	1.6
	GPT Funds Management Ltd	1.3
	Super Investment Management Pty Ltd*	6.8
		9.7
Bonds	Brandywine Global Investment Management, LLC	2.0
	Franklin Templeton Investments Australia Ltd	1.1
	Super Investment Management Pty Ltd*	2.1
	UBS Global Asset Management (Australia) Ltd	1.4
	Western Asset Management Company Pty Ltd	0.5
		7.0

Rest's investment managers as at 30 June 2019

Asset class	Investment manager	% of assets managed for Rest
Cash	Colonial First State Asset Management (Australia) Limited	2.1
	Super Investment Management Pty Ltd*	2.9
	Australian and New Zealand Banking Group Limited	1.4
		6.5
Basic Cash	Super Investment Management Pty Ltd*	0.2
Infrastructure	AMP Capital Investors Limited	3.5
	Super Investment Management Pty Ltd*	3.4
	6.9	
Credit	Apollo ST Fund Management LLC	2.5
	Bain Capital Credit, LP	2.1
	Barings LLC	3.8
	Bentham Asset Management LLP	2.2
	HayFin Capital Management LLP	0.5
	Super Investment Management Pty Ltd*	0.9
		11.9
Equity Strategies	Alliance Bernstein Investment Management Australia Ltd	0.3
	Cooper Investors Pty Ltd	1.9
	Holowesko Global Fund Ltd	1.8
	Wellington Management Australia Pty Ltd	0.6
	4.7	
Absolute Return	BNP Paribas Investment Partners (Australia) Ltd	1.9
	Capital Fund Management S.A.	1.2
	GSA Capital Partners LLP	1.0
	4.1	
Private Equity	QIC Private Capital Pty Ltd	0.5
Agriculture	Warakirri Asset Management Pty Ltd	0.6
Australian Shares - Indexed	Macquarie Investment Management Australia Ltd	0.1
Overseas Shares - Indexed	Macquarie Investment Management Australia Ltd	0.1
Balanced - Indexed	Macquarie Investment Management Australia Ltd	0.1
Total		100

* Super Investment Management Pty Ltd ABN 86 079 706 657 (Australian Financial Services Licence 240004) is a wholly owned company of Rest. Super Investment Management Pty Ltd, like other investment managers of Rest, receives a fee for its investment management services. Rest deals with Super Investment Management Pty Ltd on an arms-length basis.



11.99

A photograph of a young man with short brown hair, wearing a grey t-shirt and a black apron. He is smiling and looking down at something in his hands, possibly a product or a piece of paper. He is standing in a supermarket aisle, with shelves of food products visible in the background.

Rest Board governance

The Rest Board is made up of individuals with a broad range of retail industry and commercial experience. Their longstanding, in-depth knowledge of Rest, together with their understanding of the industry, adds value to the fund's operations and to members and employers.

The Rest Board is made up of employer and employee representatives from the retail industry, as well as an independent director who is also the Chair.

Four directors are nominated on behalf of employees by the Shop Distributive and Allied Employees Association (SDA). Four directors are nominated on behalf of employers and Employer Associations, comprising major employers participating in Rest, and the Retail Associations. Employees and employers are equally represented. One director is nominated and appointed by the directors as Independent Chair.

Board members as at 30 June 2019

Employee representation	Board member since	Nominated by
Joe de Bruyn	13 December 1988	SDA
Ian Blandthorn	25 September 2008	SDA
Michael Tehan	1 October 2017	SDA
Julia Fox	1 January 2018	SDA
Employer representation	Board member since	Nominated by
John Edstein	4 October 2013	Retail Council
Steven Priestley	4 March 2014	Coles Group
Sally Evans	2 May 2018	Super Retail Group Ltd
Vaughn Richtor	26 June 2019	Woolworths Group Ltd
Independent Chair	Board member since	Nominated by
Ken Marshman	17 December 2013*	The Board

* Appointed as Chair on 31 July 2014

Departures from the Board

Director	Term ended on	Replaced by
Rohan Jeffs	31 March 2019	Vaughn Richtor

Directors



**Kenneth
Stuart
Marshman**

Chair of the Board
and Independent
Director

Qualifications

Bachelor of Arts – Mathematics and Economics (BA)
Master of Economics (MEc)

Ken has specialised in financial markets and corporate strategy for over 30 years and has been intensively involved in investments for superannuation funds since 1986. He held the positions of Director of Finance and CEO within the State Electricity Commission of Victoria, before joining JANA Investment Advisers. From 1995 to 2008, Ken was JANA's Managing Director and, from 2003 to May 2019, Chair of the JANA Board of Directors.

Current Directorships/Appointments

- Chair and Director of Retail Employees Superannuation Pty Ltd
- Chair and Director of Super Investment Management Pty Ltd (SIM)

Rest Committee Membership

- Chair of Investment Committee
- Chair of Tax Planning Committee
- People, Culture and Remuneration Committee
- Member and Employer Services Committee



**Ian
Blandthorn**

Qualifications

Bachelor of Arts (BA Hons)
Ian has more than 20 years' experience in superannuation. Ian held the position National Assistant Secretary for the SDA. He was also the Board Chair of Service Skills Australia, a Joint Chairperson of Advisory Committee of Service Skills Australia, and a Member of the Australian Council of Trade Unions (ACTU) Executive. Prior to this, he was a member of the State Training Board of Victoria, the President and Member of Flagstaff College of TAFE Council, and a member of Board of TAFE of Victoria University.

Current Directorships/Appointments

- Director of Retail Employees Superannuation Pty Ltd
- Director of Super Investment Management Pty Ltd (SIM)
- Board member of Victoria Service Skills Industries Ltd
- President of Commerce Sector for Asia - Pacific Region of Union Network International
- Board member of Skills IQ

Rest Committee Membership

- Member and Employer Services Committee
- Tax Planning Committee
- Investment Committee



**Joe de
Bruyn**

Qualifications

Bachelor of Agricultural Science (BAGRSc)

Joe has more than 30 years' experience in superannuation and was the National Secretary of the SDA from 1978 to 2014. He is now the National president of the SDA. From 1984 to 1996, Joe held the position of New South Wales Branch Secretary, as well as National Secretary of the SDA. In 1985, he joined the Executive of the Australian Council of Trade Union (ACTU) and was elected as Vice-President in 1997 and subsequently, Senior Vice-President from 2003 to 2015. While serving on the Rest Board, Joe has also been an active member of various bodies such as the Australian Labor Advisory Council, The World Executive Board of Union Network International, the National Workplace Relations Consultative Council, the Retail Council of Australia, and the National Executive of the Australian Labor Party.

Current Directorships/Appointments

- Director of Retail Employees Superannuation Pty Ltd
- Director of Super Investment Management Pty Ltd (SIM)
- Director of Ramsay Foundation for Western Civilisation
- Chair of Campion College

Rest Committee Membership

- Chair of the Member and Employer Services Committee
- Audit, Risk and Compliance Committee
- People, Culture and Remuneration Committee
- Investment Committee
- Tax Planning Committee
- Claims Sub-committee



**John
Edstein**

Qualifications

Bachelor of Economics (BEC)

Bachelor of Laws (LLB)

Master of Laws with Honours (LLM)

John commenced work as a solicitor in 1979. In 1982, John was a co-founder of the law firm, Townsend & Edstein Solicitors, which established a reputation in superannuation and financial services laws, including the taxation of financial services entities. In 1990, John joined Mallesons Stephen Jaques as a partner in the Taxation and Superannuation Group. John retired as a partner on 31 December 2012 (by which time the firm had combined to become King & Wood Mallesons). In addition to his role as a legal adviser, John was the National Practice Team leader for the Taxation and Superannuation Group for several years, together with being a director on the boards of several of the firm's operating companies, including as chair of the trustee of the Partners' Superannuation Fund until it was transferred to a master trust. John was also a relationship partner for several of the firm's significant clients.

Current Directorships/Appointments

- Director of Retail Employees Superannuation Pty Ltd
- Director of Super Investment Management Pty Ltd (SIM)
- Director of Perpetual Equity Investment Company Ltd
- Chairman of Macquarie Investment Management Ltd
- Trustee of St Joseph's College Old Boys' Union
- Member of the Investment Committee, Catholic Archdiocese of Sydney
- Emeritus Member, Superannuation Committee of the Law Council of Australia
- Member, Tax Institute of Australia and Chartered Tax Adviser
- Member, Law Society of New South Wales

Rest Committee Membership

- Audit, Risk and Compliance Committee
- Trust Deed Review Committee
- Tax Planning Committee
- People, Culture and Remuneration Committee

Directors



**Steven
Priestley**

Qualifications

Bachelor of Commerce (B Com)

Steve has 35 years' experience in finance and most recently was the Financial Controller for Coles Retail, Coles Group Limited. He was initially appointed to the Rest Board in 2008 serving as a Director to 2012. Steve then served as an Alternate Director, until being reappointed to the Board as a Director. Prior to his role as Financial Controller, Steve worked within the Coles Group in various roles over a seven-year period. Before this, he was primarily with Shell Australia Limited, holding various General Manager Roles, including

Corporate Treasurer and Financial Controller. Steve is a former member of the Institute of Chartered Accountants.

Current Directorships/Appointments

- Director of Retail Employees Superannuation Pty Ltd
- Loyalty Pacific Pty Ltd
- Director of Super Investment Management Pty Ltd (SIM)

Rest Committee Membership

- Chair of the Audit, Risk and Compliance Committee
- Tax Planning Committee
- Investment Committee



**Michael
Tehan**

Qualifications

Bachelor of Arts (BA)

Bachelor of Laws (LLB)

Australian Institute of Company Directors Graduate (GAICD)

Michael Tehan has more than 40 years' experience in industrial relations, and is a current director of Villa Maria Catholic Homes, a large not-for-profit provider of aged care, disability and community services, and special education. In 2014, Michael retired as a partner of the legal firm, Minter Ellison, after more than 25 years at the firm. An

experienced mediator, he has overseen the resolution of legal disputes for many years.

Current Directorships/Appointments

- Director of Retail Employees Superannuation Pty Ltd
- Director of Villa Maria Catholic Homes Ltd
- Member, Advisory Board, Department of Management and Marketing, Faculty of Business and Economics, University of Melbourne

Rest Committee Membership

- Audit, Risk and Compliance Committee
- Trust Deed Review Committee



Julia Fox

Qualifications

Bachelor of Arts (BA)

Masters of Law, Juris Doctor (JD)

Julia is the National Assistant Secretary of the SDA, the union for workers in retail, fast food and warehousing. Julia has represented workers for more than two decades, starting out as an Organiser for the Victorian Branch of the SDA in 1994, before joining the National Office as an Industrial Officer and the SDA's National OHS Officer in 2001. Having completed her Masters of Law, (Juris Doctor) in 2010, Julia has advocated

for better pay, conditions and protections for thousands of workers in retail and fast food companies. Julia is Vice President of the World Women's Committee of UNI Global Union; the global union federation which represents more than 20 million workers from over 900 trade unions in the fastest growing sectors in the world – skills and services. Julia is the Chair of the ACTU Women's Committee.

Current Directorships/Appointments

- Director of Retail Employees Superannuation Pty Ltd

Rest Committee Membership

- Chair of the People, Culture and Remuneration Committee



**Sally
Evans**

Qualifications

Bachelor of Applied Science (BHSc)
Fellow of the Australian Institute of Company Directors (FAICD)

Graduate of the Australian Institute of Superannuation Trustees (GAIST)

Sally is an experienced Board director with a commitment to delivering sustainable financial and social outcomes. Sally's early professional career as a public sector Clinical Dietitian, lead to her undertaking executive roles in health service within the public and private sector. She received the Telstra Australian Businesswoman of the Year award (private sector) in 2002 and was recognised as an AFR Westpac Woman of Influence in 2013. Her executive and non-executive director experience

spans internationally across private, social enterprise and government advisory boards as well as board committees in the areas of risk, audit and remuneration. Currently, Sally Chairs LifeCircle, and is a member of the EveryAge Counts Advisory Group. Prior to this, Sally was a member of the Consumer and Industry Advisory Group on the development of a retirement income framework and covenant, and an inaugural member of the Australian Federal Government's Aged Care Financing Authority.

Current Directorships/Appointments

- Director of Retail Employees Superannuation Pty Ltd
- Chair of LifeCircle
- Non-Executive Director of Oceania Healthcare Group
- Non-Executive Director of Healius

Rest Committee Membership

- People, Culture and Remuneration Committee
- Member and Employer Services Committee



**Vaughn
Richtor**

Qualifications

Bachelor of Arts, Business Studies (BA Hons)

Member of the Australian Institute of Company Directors (MAICD)

Vaughn is the former CEO of ING DIRECT Australia and CEO Challenger and Growth Countries – Asia, ING Group. Vaughn joined ING in London in 1991 and was Deputy General Manager, UK and Ireland, establishing the ING Dublin branch. He was then assigned to start banking operations in Australia in 1995, which ultimately became ING DIRECT. He held this role until January 2006, helping to establish the brand and building a profitable business. Vaughn was then appointed CEO and MD of ING Vysya Bank in India where he spent more than three years on the successful turnaround of a loss-making bank. He then worked as CEO – Banking Asia, covering retail banking and commercial activities in the region for three years, before returning to Australia in 2012. Vaughn

retired from his roles as CEO of ING Retail Banking Asia and CEO ING Direct Australia in June 2016. Vaughn was previously a Board member of ING Vysya Bank in India from 2009 until its merger with Kotak Mahindra Bank in 2015, and Board Member of Kookmin Group in Korea from 2010 to 2012. He also advises on financial services and banking. Vaughn was named Australian Financial Services Executive of the Year in 2015.

Current Directorships/Appointments

- Director of Retail Employees Superannuation Pty Ltd
- Non-Executive Director and member of the Board of Executive Directors of TMB Bank and PCL Thailand
- Non-Executive Chairman and board member of Ratesetter (Australia) Pty Ltd
- Non-Executive Director of MyState Ltd
- Member of GDCC Executive Committee
- Director of Veldan Pty
- Member of Advisory Council to Rhizome

Rest Committee Membership

- People, Culture and Remuneration Committee
- Member and Employer Services Committee

Alternate Directors

Michael Donovan

Alternate Director since 31 March 2011

Nominated by SDA

Qualifications

Bachelor of Science - Chemistry and Mathematics (BSc(MathSc))

Michael had experience as a Research Officer and subsequently as a Senior Research Officer for the SDA from 1977 to 1992 including research, advocacy, negotiation, member advice, delegate education and some government liaison. Michael was advocate for the SDA in the major case which established industry-wide superannuation for retail workers in 1987-1988. Michael became Assistant Secretary of the Victorian Branch of the SDA in 1992 and Secretary in 1996. Michael is responsible for the supervision of the employees of the Branch, for the financial management of the Branch and for the strategic director of

the Branch, in association with other elected Officers. Michael became the National Vice-President of the SDA in 2014.

Current Directorships/Appointments

- Alternate Director to Ian Blandthorn in Retail Employees Superannuation Pty Ltd
- Chairman of FEDSDA Pty Ltd
- Chairman of Industrial Printing and Publishing Pty Ltd
- Chairman of Publicity Works Pty Ltd
- Member of the Victorian Occupational Health and Safety Advisory Committee

Rest Committee Membership

- Nil – however, in addition to acting as Alternate Director for Ian Blandthorn at Rest Board meetings, Michael may take Ian's place at committee meetings if Ian is unable to attend.

Gerard Dwyer

Alternate Director since 22 April 2014

Nominated by SDA

Qualifications

Bachelor of Education - History and English (BEd)

Master of Business - (Employment Relations) (MBus)

Australian Institute of Company Directors Graduate (GAICD)

Gerard Dwyer is the National Secretary-Treasurer of the Shop, Distributive & Allied Employees' Association. Gerard has been the Secretary-Treasurer of the SDA-NSW Branch (2005-2014), National President of the Union (2008-2014) and SDA National Secretary since 2014. The SDA is one of Australia's largest trade union and represents employees working in retail, fast food and warehousing. Gerard grew up in regional NSW and moved to Sydney at the age of 18 to pursue tertiary studies. He has a Bachelor of Education (History and English (1989)), a Masters of Business in Employment Relations

(UTS, 2002) and is also a Graduate of the Australian Institute of Company Directors Gerard's working life has seen him employed as a shop assistant, classroom teacher, social worker and as a Trade Union Official for more than 20 years.

Current Directorships/Appointments

- Alternate Director to Joe de Bruyn in Retail Employees Superannuation Pty Ltd
- Alternative Director to Joe de Bruyn in Super Investment Management Pty Ltd (SIM)
- National Secretary-Treasurer of the SDA
- Member of the ALP National Executive

Rest Committee Membership

- Nil – however, in addition to acting as Alternate Director for Joe de Bruyn at Rest Board meetings, Gerard may take Joe's place at committee meetings if Joe is unable to attend.

Joanne Lester

Alternate Director since 28 July 2016

Nominated by Wesfarmers

Qualifications

Bachelor of Psychology (BPyschol)

Graduate Diploma of Business Professional Accounting (Grad Dip Bus Prof Acc)

Graduate of the Australian Institute of Company Directors (GAICD)

Jo has more than 25 years' experience in the superannuation industry and is currently Superannuation Manager at Wesfarmers Limited. Change management has been a key feature of Jo's superannuation career as the superannuation

landscape and Wesfarmers' organisational structure have changed considerably during her nearly 20 years with the company. Jo is also the Chair of St Hilda's School for Girls Foundation.

Current Directorships/Appointments

- Alternate Director to Steven Priestley of Retail Employees Superannuation Pty Ltd
- Alternate Director to John Edstein of Retail Employees Superannuation Pty Ltd

Rest Committee Membership

- Nil – however, in addition to acting as Alternate Director for Steven Priestley and John Edstein at Rest Board meetings, Joanne may take Steven or John's places at committee meetings if either are unable to attend.

Alisia di Mauro

Alternate Director since 1 October 2017

Nominated by SDA

Qualifications

Bachelor of Laws (LLB(Hons))

Bachelor of Commerce (BCom)

Alisia has been an industrial officer at the SDA NSW branch and a part-time official since 2010. Alisia previously worked as a senior accountant at Ernst & Young, as an accountant at Hill Rogers and subsequently as a lawyer at Minter Ellison Lawyers.

Current Directorships/Appointments

- Alternate Director to Michael Tehan of Retail Employees Superannuation Pty Ltd
- Alternate Director to Julia Fox of Retail Employees Superannuation Pty Ltd

Rest Committee Membership

- Nil – however, in addition to acting as Alternate Director for Michael Tehan and Julia Fox at Rest Board meetings, Alisia may take Michael or Julia's place at committee meetings if either are unable to attend.

Dr Adam Walk

Alternate Director since 28 November 2018

Nominated by SDA

Qualifications

Bachelor of Arts, Politics (BA)

Bachelor of Business, Banking and Finance (BBus)

Master of Applied Finance and Investment (MAppFin)

Doctor of Philosophy, Financial Economics (PhD)

Fellow of the Australian Institute of Company Directors (FAICD)

Fellow of the Governance Institute of Australia (FGIA)

Fellow of the Australian Institute of Superannuation Trustees (FAIST)

Accredited Investment Fiduciary Analyst (AIFA)

Adam is a financial economist with around 20 years' experience in investment, governance, and risk management appointments at organisations such as Myer Family Company, QIC, QSuper, and Bank of Queensland. Adam is a Director of Drew, Walk & Co., a Partner at Stonechat Capital, and an Adjunct Professor at the University of Notre Dame Australia. His research has been published in journals such

as the Journal of Portfolio Management and the Journal of Retirement, and he co-authored (with Dr Michael Drew) a monograph entitled 'Investment Governance for Fiduciaries', which was published by the CFA Institute Research Foundation in 2019.

Current Directorships/Appointments

- Alternate Director to Joe de Bruyn in Retail Employees Superannuation Pty Ltd
- Director of Drew, Walk & Co.
- Partner, Stonechat Capital Pty Ltd
- Adjunct Professor at University of Notre Dame Australia
- Advisor to the Group Capital and Investment Committee, The Royal Automobile Club of Queensland Limited
- Deputy Chairman of Campion College
- Board Member of the Archdiocesan Development Fund, Roman Catholic Archdiocese of Brisbane

Rest Committee Membership

- Nil – however, in addition to acting as Alternate Director for Joe de Bruyn at Rest Board meetings, Adam may take Joe's place at committee meetings if Joe is unable to attend.

Helen Cooney

Alternate Director since 26 June 2019

Nominated by SDA

Qualifications

Bachelor of Arts (BA Hons)

Master of Government and Commercial Law (MGCL)

Graduate of the Australian Institute of Company Directors (GAICD)

Helen is the Principal Policy Officer (Superannuation and Industry Training) at the SDA, the union for workers in retail, fast food and warehousing. For the 10 years to 2019, Helen was in leadership as President, and then CEO, of Caroline Chisholm Society, a charity that supports pregnant and new mothers raise their young children through poverty and other social issues. During the past 20 years, Helen provided policy

and political advice on early childhood, school education and workplace relations. Helen has advised State Governments and children's services on regulation and has been a strategy adviser in the Vice-Chancellor's office at the University of Melbourne.

Current Directorships/Appointments

- Alternate Director to Ian Blandthorn in Retail Employees Superannuation Pty Ltd
- Alternate Director of Service Skills Victoria
- Director of Catholic Social Services Victoria

Rest Committee Membership

- Nil – however, in addition to acting as Alternate Director for Ian Blandthorn at Rest Board meetings, Helen may take Ian's place at committee meetings if Ian is unable to attend.

Rest Board composition

Under its governing rules, Rest may appoint directors who are not employees or representatives of any affiliated organisations. Ensuring an appropriate mix of skills, knowledge and experiences on the Board is the critical focus. The Trustee has adopted this approach in its director appointments and independent expert consultant review of individual and collective Board performance.

The Trustee's directors bring experience and knowledge gleaned from senior roles in the retail industry, or as experts in the legal, investment or other relevant sectors. Our directors are able to express a wide range of views in a robust decision making process while acting in the best interests of members, not of their industry or employer representative bodies.

The Rest Board has adopted a Board Diversity Policy, which sets down the framework for the Board's approach to diversity. Rest members come from a broad range of backgrounds, and the Board recognises that people from different backgrounds bring different skills, knowledge and experiences that assist in decision making in the best interests of Rest members. Accordingly, the Board is committed to promoting a culture that actively values those differences, and believes that diversity on the Board is an important part of promoting that culture.

The Board Diversity Policy, along with other Rest policies and governance documentation, can be accessed at www.rest.com.au/about-rest/corporate-governance

Board assessment

The Trustee's directors must meet minimum education requirements of at least 20 hours per year, and many exceed this. The Board is also subject to a rigorous governance review process, including regular assessments conducted by external consultants to ascertain directors' capabilities and knowledge.

Fitness and propriety

A 'fit and proper' assessment must be completed before a person is appointed as a Responsible Person, unless they hold the position because the Australian Prudential Regulation Authority has determined that the person is a Responsible Person. Responsible Persons at Rest include directors and senior management, appointed actuaries and appointed auditors. The Board oversees the conduct of a fit and proper assessment before appointing Responsible Persons permanently.

Annual certifications

Each Responsible Person must confirm in writing each year that they have met the criteria for fitness and propriety established by Rest's fit and proper policy.

Periodic training reviews

Each quarter, the Board reviews each Responsible Person's progress in meeting their training requirements for the year. The Board must review each Responsible Person's compliance with the requirements of fitness each year, taking into account whether they have met their training requirements.

Ethical conduct

The Rest Code of Conduct sets out the expected standards of conduct and behaviour for directors and employees. It includes requirements to:

- act with integrity;
- keep the information they have accessed as part of their roles confidential;
- not conduct Rest's business when affected by drugs or alcohol; and
- use Rest's resources only for appropriate purposes.

Rest has a no gifts policy. All offers of cash or cash equivalents (including credit cards, debit cards, vouchers or gift cards) of any value must be refused. Where it is impractical to return a gift, the gift must be donated to charity or shared amongst employees, and recorded in the Gifts and Benefits Register. Additionally, there are rules around the acceptance of offers to events and entertainment. Any invitation to an event or entertainment with a value greater than \$50 must be recorded in the Gifts and Benefits Register.

Rest also has a Conflicts Management Policy that sets out the procedures for identifying and managing conflicts of interest and duties, and to help the Trustee, its directors and employees comply with their obligations in the management of conflicts.

Rest's governance structure

The Rest Board has the ultimate responsibility for Rest.

It has established a number of Board committees to help with its work. Board committees monitor and review the areas of their responsibility.

The main Board committees are described below.

The **Investment Committee** reviews all investment strategy matters; monitors the performance of investment classes, key property and infrastructure investments; and implements Rest's investment policies.

The **Audit, Risk and Compliance Committee** (ARCC) is the interface between the Board and Rest's management on audit, risk and compliance issues. It receives regular reports from the internal auditor and external auditor. The internal auditor reviews the internal control environment, systems and procedures, and provides a view on the effectiveness of the risk processes. The external auditor audits the risk management strategy and the annual financial statements of the Trustee and the fund. The ARCC reviews the Trustee's and funds financial statements each year before they are presented to the Board.

The **Member and Employer Services Committee** (MESC) reviews strategic initiatives relating to the products, benefits and services Rest provides to its members and employers, and makes recommendations to the Board.

The Claims Sub-Committee (a Sub-Committee of the MESC) reviewed complex Death and Disablement claims and makes determinations on these within its area of delegated authority.

The **People, Culture and Remuneration Committee** (PCRC) assists the Board in people management and corporate cultural issues, reviews the remuneration of Rest's Responsible Persons, and makes recommendations to the Board on certain salary and staffing matters.

Executive Leadership Team

The Executive Leadership Team (ELT) oversee and facilitate the implementation of risk-prevention measures and internal controls, including monitoring and reporting.

The ELT comprises the Chief Executive Officer; Group Executive, Product and Operations; Group Executive, Corporate Services; Group Executive, Member Engagement; Group Executive, Employer and Industry Engagement; Group Executive, Innovation and Transformation; Group Executive, People and Change; and the Chief Investment Officer.

The ELT meets regularly and determines which matters will be reported to the Board and other relevant Board committees.

Business line management and staff members report to the ELT on operational matters.

Rest uses a number of business activity providers, such as investment managers, an administration manager, a custodian, life insurers, actuaries and a financial planning service provider. These service providers play a vital role in Rest's governance structure.

Executive Leadership Team



Vicki Doyle

Chief Executive Officer

Vicki joined Rest as CEO in May 2018, bringing more than 17 years' senior executive leadership experience in superannuation, life insurance, wealth management and banking.

Vicki is passionate about simplifying and de-mystifying superannuation to help all Australians achieve their best retirement outcomes. She is excited about the next stages of Rest's journey as a market-leading fund, and is determined to continue the delivery of outstanding member benefits.

Vicki holds an Executive MBA from Australian Graduation School of Management, a Diploma from the Australian Institute of Company Directors, and has been an Executive Director on Trustee Boards. Vicki has also worked closely with Australian regulators APRA and ASIC in the capacity of the Responsible Person or Responsible Manager for various Licenses and has experience influencing government public policy through working closely with industry bodies such as ASFA.



Brendan Daly

Group Executive,
Product & Operations

Brendan joined Rest in April 2019 and is responsible for the development of member-focused products and best-practice operations that deliver outstanding service to members and employers. His responsibilities encompass the design and delivery of product, technical, insurance and administration services to members and employers.

Brendan has extensive experience in the financial services and wealth management industry, having previously worked at consultancy firm Wipro. He has also previously served as Head of Product and Operations in NAB Wealth's

Corporate and Institutional Wealth division, as well as a variety of superannuation administration roles at Colonial First State. He was a trustee director of the Commonwealth Bank of Australia's Officers' Superannuation Fund from November 2007 to April 2008.

Brendan is a fellow of ASFA, holds a Master of Business, Management and Operations from the University of Technology Sydney, a Master of Research Methodology and Quantitative Methods from the Macquarie Graduate School of Management, and a Bachelor of Economics and Finance from Western Sydney University.



Trevor Evans

Group Executive
People & Change

Trevor joined Rest in August 2014 and was appointed as Group Executive People and Change in 2018. He is responsible for culture and change management, learning and development, human resources, internal communications and payroll functions.

He has more than 20 years' experience in human resources, having previously worked at Suncorp, ING, Tourism Australia, ASIC and in government administration before joining Rest. Trevor holds a Bachelor of Arts (Honours) in Sociology and a Master of Business Administration.



Jeremy Hubbard

Group Executive,
Innovation &
Transformation

Jeremy is responsible for charting and executing Rest's business strategy, and planning the fund's strategic technology innovation. His remit encompasses strategy and planning, IT management, innovation, and data governance.

Jeremy has more than two decades' experience in innovation and IT roles across corporate, SME and consulting organisations. He joined UBank in 2008 and was part of the digital bank's executive team from 2015 to 2019.

Prior to his arrival at Rest he was UBank's General Manager, Digital and Innovation.

Prior to UBank, he was the Head of IT for fintech startup Once Australia, and worked in consultancy roles for Capgemini, Morse, and Oracle Corporation.

Jeremy holds a Bachelor of Information Technology from the University of Queensland.



Gemma Kyle

Group Executive,
Corporate Services

Gemma was appointed as Group Executive on November 2018 and is responsible for a diversified team incorporating financial strategy and management; accounting services; company secretariat and legal; audit and risk management; and compliance.

Prior to joining Rest, Gemma worked across Federal Government, engineering and financial services. Most recently she worked on the

separation of MLC Life insurance from NAB and established their first-line risk, compliance and financial crime capabilities.

Gemma holds a Masters of Arts from the Australian National University and a Bachelor of Economics (First Class Honours) from the University of Sydney.



Tyrone O'Neill

Group Executive,
Member Engagement

Tyrone joined Rest in April 2019 and is responsible for Rest member experience and engagement. His role includes design and delivery of digital experiences such as the Rest App and web site, customer service, member communications, brand and marketing, and data and analytics.

Tyrone has nearly two decades' experience in strategic marketing, digital, data, and customer

insights roles, including senior leadership positions at Optus, Vodafone, and Westpac.

Tyrone holds a Master of Letters in Philosophy and a Bachelor of Arts (First Class Honours) in Philosophy & Computer Science from the University of Sydney.



Deborah Potts

Group Executive,
Employer & Industry
Engagement

Deborah joined Rest in 2014, as the National Manager, Advice and subsequently served as the Head of Advice and Education from March 2017. In May 2018, she was appointed as interim General Manager Brand, Marketing and Communications and, in November 2018, she was appointed into her current role. Deborah has extensive experience working with board,

executive and professional teams on customer experience strategies in the financial services and superannuation industries. Prior to working at Rest, she worked at BT Financial Group and AMP Corporate Super.



Brendan Casey

General Manager,
Investments

Brendan joined Rest as General Manager, Investments in November 2016. Having commenced his career as a chemical engineer, Brendan moved into financial services in the early '90s. His experience spans across CBA, ITG, Southern Cross Equities, SIA/FinSIA/Kaplan, Salomon Smith Barney/Citigroup and as a self-employed Financial Consultant.

Prior to joining Rest, Brendan was Head of Investment Operations and Control at Suncorp.

Brendan has also been part of the Australian Army Reserve for 34 years and was employed full time by the Australian Army in 2011 when he was on operational deployment in Afghanistan. Brendan holds a Bachelor of Science (Honours) and a PhD, both from the University of Sydney. He also holds a Graduate Diploma of Applied Finance and Investments from the Securities Institute of Australia, and a Graduate Diploma of Management from the University of Canberra.

Phil Budge

Chief Risk Officer

Phil was appointed in June 2015 and was responsible for Rest's risk management framework. Phil left Rest in August 2018.

Sandra Coleman

General Manager Strategy, Transformation and Technology

Sandra joined Rest in January 2014 and was responsible for the information systems and project management functions. Sandra left Rest in November 2018.

Craig Hobart

General Manager Strategic Relations

Craig was appointed in July 2016 and was responsible for developing and implementing strategies to elevate relationships with Rest members and Rest employers. Craig left Rest in November 2018.

Paul Howard

General Counsel and Company Secretary

Paul joined Rest in 2011 as General Counsel and Company Secretary and was responsible for overseeing the legal and company secretariat functions. Paul left Rest in November 2018.

Beth Parkin

General Manager Customer Service

Beth joined Rest in November 2015 as the General Manager of Customer Service for Members and Employers, and was responsible for contact centre, digital customer service and voice of customer initiatives. Beth left Rest in November 2018.

Chris Stevens

Chief Financial Officer

Chris joined Rest as Chief Financial Officer in 2008 and was responsible for Rest's finance and analytics functions. Chris left Rest in November 2018.



A photograph of a man in a white shirt and dark trousers walking down an escalator. He is looking upwards. The background shows a wall with graffiti and some large, colorful circular signs.

Notice to Rest members

Fair and reasonable allocation of costs

Operational fees and costs

Rest undertakes an annual review of the fees and costs met by members and the way the costs of running the fund are allocated between members.

These costs are allocated to one of the four following areas:



Costs incurred because of a transaction by an individual member are largely recovered from the transacting member through member fees. Costs incurred in relation to a single investment option are largely recovered from the investment option through unit prices. Costs incurred in relation to particular groups of members (eg members in Rest Super, Rest Corporate or Rest Pension) are recovered from the members in those groups usually from the member fees.

Insurance pricing is designed so that only the members who have insurance pay for the costs of the cover. Insurance premiums are based on the premium rates charged by the Insurer. Insurance premiums are deducted from members' accounts.

Rest may subsidise the cost of insurance based on any premium rebates received from the insurer due to its overall claim history. Any subsidisation is done on a fair and equitable basis across all insured members, by applying a standard percentage discount rate for all insured members. Currently, Rest subsidises Rest Super members with a premium subsidy of 2.7 per cent.

The Trustee considers that the fees it charges to members and the way fees and costs are allocated between members and different groups of members are fair and reasonable.

Insurance offering

Every year, Rest reviews its insurance strategy and the insurance offered to members, to determine whether any changes should be made.

To do this, we consider the policy terms, the level of cover, and the cost to you.

The Trustee considers that the insurance strategy, and the existing cover and its terms and conditions, are appropriate and in the interests of members.

During the most recent review, Rest invited tenders from multiple life insurance providers to supply our future insurance offering. The evaluation of the insurers' tender submissions occurred during the 2018/19 year. Following the completion of this evaluation process in May 2019, Rest entered into a Memorandum of Understanding with TAL to provide life insurance to members from 1 December 2019.

More details about Rest's insurance offering are described in the relevant PDS, which can be accessed at rest.com.au/pds

Indemnity insurance

The Fund, the directors and officers of the Trustee are covered by professional indemnity insurance primarily through Lloyd's Underwriter Syndicate No. 1886 QBE.

Advisers and service providers

The following advisers assist the Trustee to provide members with professional service and management. The advisers have been appointed on the basis of quality and cost effectiveness.

Administration and accounting

Australian Administration Services Pty Limited

Credit manager

Industry Fund Services Limited

Custodian

State Street Australia Limited

External auditor

PricewaterhouseCoopers

Internal auditor

KPMG

Group life and income protection insurance

AIA Australia Ltd

Hannover Life

Investment consultant

JANA Investment Advisers Pty Ltd

Legal advisers

Allens

Banki Haddock Fiora

Clayton Utz

Gilbert and Tobin

Hall & Wilcox

Herbert Smith Freehills

Hogan Lovells

King & Wood Mallesons

MinterEllison

Turks Legal

Tax agent

PricewaterhouseCoopers

Trustee liability insurance

Lloyd's Underwriter Syndicate No. 1886 QBE

Employers in arrears

The Trustee has entered into agreements with certain employers under which employers are required to make superannuation contributions to Rest on behalf of their employees. Sometimes employers* are late in making their superannuation contributions as required under the agreement with the Trustee. While often it is an administrative oversight, we take breaches seriously and will seek to draw the employer's attention to their obligations.

During 2018/19, Rest referred a number of employers* to Industry Fund Services Limited (IFS), which collected \$17,601,417 in arrears from employers. As at 30 June 2019, a number of employers continued to be overdue in paying employee super contributions by at least 90 days. Legal action may be initiated if contributions remain unpaid after IFS contacts the employer.

Eligible Rollover Fund (ERF)

Rest has a broad power, provided by legislation, to transfer a member's benefits to an Eligible Rollover Fund (ERF). Rest may roll over a member's benefits to its ERF if a member's account balance is less than \$6,000, and Rest has attempted to contact the member by mail or electronic means and the correspondence has been returned unclaimed; or no contributions or rollovers have been paid into a member's account for 12 months.

Rest's ERF is AUSfund:

AUSfund

Locked bag 5132,
Parramatta NSW 2124.
Phone: 1300 361 798
Email: admin@austfund.net.au
Web: ausfund.com.au

When member benefits are transferred into an ERF, they may be affected because:

- The person ceases to be a Rest member and will no longer have any insurance cover within Rest.
- The person becomes a member of AUSfund and will be subject to its governing rules (if Rest can provide AUSfund with contact details, AUSfund will send the AUSfund PDS to the member).
- The fees and costs AUSfund charges are different to Rest's, and investment returns may be insufficient to cover the fees and costs.
- AUSfund will invest benefits in a diversified investment strategy, which may provide lower returns than Rest's investment option(s).

Temporary residents

A temporary resident who is not a citizen of Australia or New Zealand may withdraw their superannuation benefits only under limited conditions. Six months after the temporary resident departed Australia or their temporary visa has expired, the Australian Taxation Office (ATO) can require their superannuation fund to transfer their super to the ATO as unclaimed moneys. The temporary resident can claim the money from the ATO. If Rest is required to transfer the member's superannuation benefit to the ATO, relying on ASIC relief, Rest is not required to and will not, notify the member of the transfer or provide them with an exit statement. For more information, visit rest.com.au

Unclaimed and lost member accounts

In some circumstances, your account balance will be treated by Rest as unclaimed money or as a lost member account.

Rest transfers any unclaimed and lost member account balances to the ATO every six months. Once a member's account balance is transferred to the ATO, the member will no longer be a member of Rest, and any insurance cover within Rest and other Rest benefits will cease. There may be other reasons for the Trustee to transfer a member's account balance to the ATO. See ato.gov.au for more information.

Compliments and complaints

If a member has a compliment, we would love to hear it. If a member has any concerns or feels like something has gone wrong, please get in touch with us so we can try to sort things out. If the issue cannot be resolved, it can raised as a formal complaint.

Members can make a formal complaint to Rest online or by phone, email or letter.

To lodge a complaint online

Visit our rest.com.au/complaints

To lodge a complaint by phone

Members can contact us on 1300 300 778. Our Contact Centre is open from 8am to 10pm, Monday to Friday.

To lodge a complaint by mail

Please write 'Complaint' on the envelope and the letter, and address the envelope to:

The Trustee Services Officer
Rest
PO Box 350
Parramatta NSW 2124

* This applies only to employers who have signed the employer application.

Our complaints process

Rest is required to consider a complaint or dispute within 90 days of receiving it. However, in some circumstances we may not be able to resolve the issue within this period.

If the Trustee has not made a decision within 90 days of receiving a member's enquiry or complaint, the member can ask for the written reasons for the Trustee's failure to make a decision within that period. We are required to give written reasons for not making a decision within 90 days of the member's enquiry or complaint within 28 days of receiving this follow-up request.

We will notify the member of the Trustee's decision on the enquiry or complaint once the Trustee has made that decision. For any trustee decisions on complaints, the Trustee must give the complainant written reasons for the decision.

If the Trustee fails to respond to the member within 90 days, or if at any time the member is not satisfied with the handling of the complaint or the outcome provided, the member could make a complaint to the Australian Financial Complaints Authority (AFCA).

Australian Financial Complaints Authority

The Australian Financial Complaints Authority (AFCA) is an independent external dispute resolution scheme. It provides fair and independent financial services complaints resolution that is free to consumers.

While sincere attempts will be made to resolve differences between members and funds, in some instances AFCA may need to make a binding ruling.

AFCA does not charge members for its service and they can be contacted on 1800 931 678, info@afca.org.au or visit the AFCA website at afca.org.au

How to contact Rest

To contact Rest, use the details on the back page, or write to us at:

The Trustee Services Officer

Rest
PO Box 350
Parramatta NSW 2124



Financial statements

Income statement 2018/19

	2019 (\$ million)	2018 (\$ million)
Superannuation activities		
Investment income	2,321	1,905
Changes in assets measured at fair value	993	2,728
Other investment income	23	16
Total superannuation activities income	3,337	4,649
Less		
Investment expenses	242	265
General Administration expenses	205	192
Total expenses	447	457
Net result of superannuation activities	2,890	4,192
Less net benefits allocated to members' accounts	(2,926)	(3,831)
Surplus / (shortfall) before income tax	(36)	361
Income tax (expense) / benefit	(49)	(313)
Surplus / (shortfall) after income tax	(85)	49

Statement of changes in member benefits 2018/19

	2019 (\$ million)	2018 (\$ million)
Opening balance of member benefits	51,151	45,606
Contributions		
Contributions by employers	4,362	3,995
Contributions by members	548	530
Rollovers	1,283	1,109
Income tax on contributions	(510)	(457)
Net after tax contributions	5,683	5,177
Benefits to members and beneficiaries	(3,523)	(2,931)
Insurance premiums charged to members' accounts	(850)	(830)
Income Protection benefits to members	(119)	(100)
Insurance group life premium rebate / (payment)	-	14
Transfer (to) / from reserves	-	(14)
Income Protection benefits from insurer	119	100
Insurance benefits credited to members' accounts	318	298
Net benefits allocated to members' accounts	2,926	3,831
Closing balance of member benefits	55,705	51,151

The abridged financial statements included above is an abbreviated version of extracts from the Rest financial report for the year ended 30 June 2019. If you would like a copy of the audited financial statements and the auditor's report, please visit our website at rest.com.au/annualreport or write to us at Rest, PO Box 350, Parramatta NSW 2124.

Statement of financial position 2018/19

	2019 (\$ million)	2018 (\$ million)
Securities		
Australian listed shares	12,175	11,507
Australian bonds	2,206	1,705
Discount securities	2,108	2,815
Overseas listed shares	15,005	13,892
Overseas bonds	4,206	3,640
Other		
Unlisted unit trusts	17,769	15,280
Derivatives	362	265
Cash/other	2,590	3,305
Direct property	821	989
Total investments	57,242	53,398
Tax receivable	124	-
Amount receivable	385	304
Other assets	47	92
Total assets	57,798	53,394
Less		
Liability for taxation	875	881
Derivatives	323	503
Other liabilities	562	841
Total liabilities	1,760	2,225
Net assets available for member benefits	56,038	51,569
Less reserves	(333)	(418)
Closing balance of member benefits	55,705	51,151

Every member who is part of a Defined Benefit fund receives an AQ Update from Rest, which details Defined Benefit financial annually.

Reserves

Rest has a number of reserves, including an operational risk financial requirement reserve, capital reserve, group life insurance reserve, administration reserve and partnership development fund reserve. As at 30 June 2019, the total reserves were valued at \$333 million.

These reserves are maintained and used in accordance with Rest's reserving policy, for example, to meet any contingencies, and provide for future capital requirements, or insurance and administration payments. Rest currently has adequate provisions in its reserves.

Reserve strategy

These reserves, except the PDF reserve, are invested as a combination of the Core Strategy and Cash options. The partnership development fund reserve is in at call cash or as otherwise directed by the PDF Committee.

Unit price adjustments

Rest reserves the right to adjust unit prices in accordance with its reserving policy without prior notice and includes transferring funds from investment option earnings to reserves which may impact the respective unit prices. During the year, unit prices were reduced by 0.01% and transferred to the ORFR reserve to maintain the reserve at the target amount of 0.25% of net assets available for member benefits.

Movement in Rest's reserves

Year	\$ million
2017	52
2018	63
2019	(85)

Rest Super & Corporate	Acumen	Rest Pension
1300 300 778 Monday to Friday, 8am-10pm AEST	1300 305 779 Monday to Friday, 8am-6pm AEST	1300 305 778 Monday to Friday, 8am-6pm AEST
<input checked="" type="checkbox"/> Roger (24-seven)	<input checked="" type="checkbox"/> Roger (24-seven)	<input checked="" type="checkbox"/> Roger (24-seven)
Live Chat Monday to Friday, 8am-10pm Saturday, 9am-6pm Sunday, 10am-6pm AEST	Live Chat Monday to Friday, 8am-10pm Saturday, 9am-6pm Sunday, 10am-6pm AEST	Live Chat Monday to Friday, 8am-10pm Saturday, 9am-6pm Sunday, 10am-6pm AEST



Download the Rest App now



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rest.com.au

Rest