



20 December 2021

PDS UPDATE – REST SUPER and REST CORPORATE

TRUSTEE FEES AND TRUSTEE CAPITAL RESERVE

Website PDS update at rest.com.au/governance

Update to Rest Super PDS and Rest Corporate PDS

The purpose of this notice is to update information set out in the ***Additional information on fees and costs*** effective 30 September 2021, which forms part of both the Rest Super Product Disclosure Statement (PDS) effective 30 September 2021 and the Rest Corporate PDS effective 30 September 2021 (***Additional information on fees and costs***).

The following text is inserted in the Additional information on fees and costs, after the heading “Additional explanation of fees and costs” on page 4:

Trustee fees and Trustee capital reserve

Rest has decided to charge modest new Trustee fees in order to build a reserve of its own capital that will be separate from the assets of the fund. Rest will initially charge a one-off Trustee fee of \$10 million from the Administration Reserve, and then charge an ongoing Trustee fee of \$3 million each year, in addition to existing Trustee costs. The Trustee fees will be paid from the existing Administration Reserve and will not increase the fees charged to members.

Rest will also have backup for unexpected liabilities through a guarantee, initially up to \$10 million, that enables it to access further funds only if needed. The guarantee arrangements will also be funded from the existing Administration Reserve.

From 1 January 2022, legislative changes applying to all superannuation funds will limit the types of penalties and liabilities that trustees and their directors can pay from the assets of a fund. If Rest faced a liability that could not be paid from the fund, it could result in Rest becoming insolvent. This could prevent Rest from continuing as Trustee of the fund.

Rest considers that it is in the best interests of fund members for it to have adequate resources to continue to act as Trustee of the fund if it incurs a liability which cannot be paid from the reserves in the fund. The Trustee capital reserve and guarantee should ensure Rest has adequate resources to meet potential liabilities that could arise in the future.

Rest does not make any personal profit and it does not distribute profits to shareholders or pay dividends. Rest’s sponsoring organisations and shareholders do not profit from the fund or Rest’s trusteeship. Rest’s Constitution has been amended to provide that amounts held in the Trustee capital reserve cannot be paid to its shareholders as dividends, distributions or returns of capital. This is consistent with the fund’s status as a profit-to-member industry superannuation fund.

When will these changes apply?

Rest expects to charge the one-off Trustee fee and enter into the capital support guarantee by 1 January 2022. The ongoing Trustee fee will commence in the first quarter of 2022.

How will this impact the Administration Fees?

The Trustee fees and the capital guarantee arrangement will not result in an increase in the Administration Fees charged to member accounts.

Members are currently charged an Administration Fee of \$1.50 per week plus 0.12% per annum (charged monthly). The percentage-based fee is capped at \$300 per annum.

The one-off \$10 million Trustee fee (plus GST) paid from the Administration Reserve represents around 0.016% of funds under management (\$65.8 billion as at 30 June 2021), while the ongoing annual \$3 million Trustee fee (plus GST) represents around 0.005%.

This information has been prepared without taking into account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, consider its appropriateness, our Financial Services Guide, the relevant Product Disclosure Statement (PDS) and Target Market Determination (TMD), available at rest.com.au/pds and speak with a financial adviser before making a decision about these products. The TMD sets out information about the product including the types of members for whom the product and its underlying investments are best suited.

The cost of providing financial services is included in the fees in the fund as disclosed in the relevant PDS. Rest and the fund do not charge any additional fees or obtain any commissions for the advice provided. Rest's employees are paid a salary and do not receive any commissions. They may receive a performance related bonus that takes into account the financial services provided. Super Investment Management Pty Limited (ABN 86 079 706 657, AFSL 240004), a wholly owned company of Rest, manages some of the fund's investments. Apart from this, Rest does not have any relationships or associations with any related body corporate or product issuer that reasonably be expected to be capable of influencing Rest in providing financial services. Issue date: December 2021