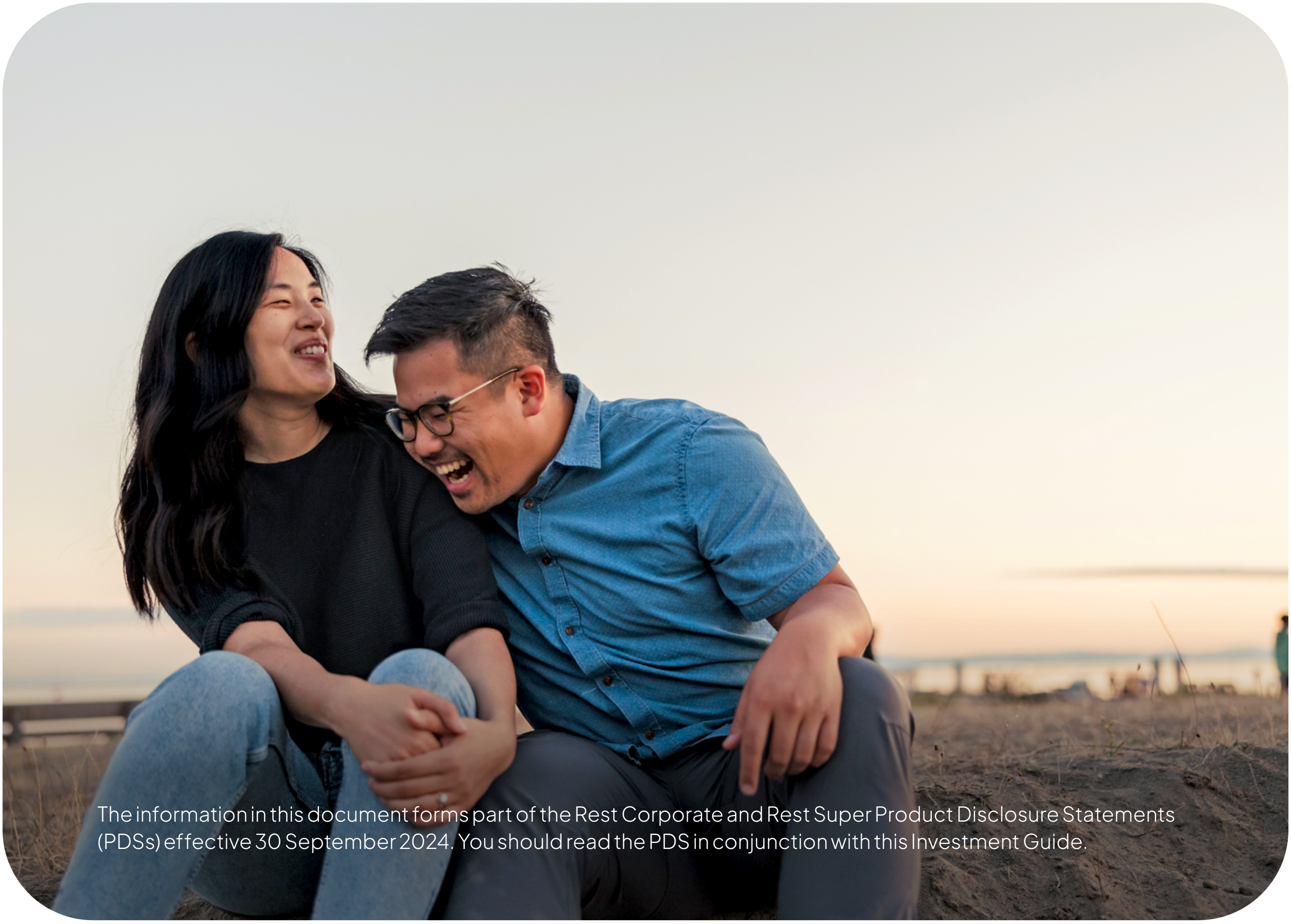
Investment Guide

Effective 30 September 2024



The information in this document forms part of the Rest Corporate and Rest Super Product Disclosure Statements (PDSs) effective 30 September 2024. You should read the PDS in conjunction with this Investment Guide.

Inside this guide

Disclaimer

The information in this Investment Guide forms part of the relevant Product Disclosure Statement (PDSs) for Rest Super, and Rest Corporate. The PDS, Target Market Determination (TMD), Additional Information on Fees and Costs, and the relevant Insurance Guide including Your Employer Plan Summary (if applicable) contain important information you should consider before making a decision to invest in Rest Super or Rest Corporate. All of these important documents are available at **rest.com.au/pds** or you can obtain a paper copy free of charge by contacting us. This document contains general information only and does not consider your situation, objectives or needs. You should read and consider this document and the PDS carefully and speak with a financial adviser before making a decision about Rest Super or Rest Corporate.

Issued by Retail Employees Superannuation Pty Limited ABN 39 001 987 739 AFSL 240003 (`Rest', 'the Trustee', 'we', 'our' or 'us') as trustee of Retail Employees Superannuation Trust ABN 62 653 671 394 (the Fund).

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Information in this document is up to date at the time of preparation, but we may make changes from time to time. Any changes that are not materially adverse will be updated on our website at **rest.com.au/governance**.

Our investment philosophy

Rest is one of Australia's largest industry super funds, with over 2 million members and around $86 billion in funds under management*. We invest for our members and our focus is to grow your super savings in a responsible way.

We do this by:

- Keeping a long-term focus
- Being responsible investors^
- Aiming to maximise returns while keeping costs low.

We work only for our members, investing your money with the same care and respect we'd give our own.

* As at 30 June 2024

^ Please refer to Section 7 (Responsible investment) for more information on our approach to *responsible investment.*

01 Why super matters

Your super will grow to be one of the largest investments you'll ever have. How you choose to invest it now can make a difference to your lifestyle in retirement.

At Rest, we're committed to helping you grow your super. So we've designed this guide to give you the information you need about investing in Rest's investment options. It covers the basics of investing in super, including asset classes and understanding risk, and gives you detailed information about our range of investment options.

Making a decision about which investment option is right for you doesn't have to be daunting. And if you're a new member and don't choose an investment option, your super will automatically be invested in the Growth option, Rest's default investment option (also known as a MySuper product).

As well as reading this guide, you can also use our Investment Choice Solution at **rest.com.au/investmentchoicesolution** to help you work out which of our investment options might suit you.

For information about fees and costs, please read the Additional Information on Fees and Costs booklet available at **rest.com.au/pds**.

Benefits of investing with Rest Super

Competitive long-term performance

Rest is focused on delivering competitive returns over the long term to help build members' retirement savings. Our Growth investment option has a track record of delivering competitive long-term investment returns*.

A choice of investment options

Rest understands that members have different needs and financial objectives. That's why we offer a range of easy to understand investment options with different levels of risk.

Advice when you need it

A little advice now can make a big difference later. There is usually no charge^ for simple advice and super questions - it's part of being a member of Rest. To find out more, visit **rest.com.au/advice**.

Easy and convenient online access

Manage your super with Rest anytime, anywhere with MemberAccess. You can easily review and make changes to your investment options (switching) or strategy whenever you like†. Just visit **rest.com.au/memberaccess** and use your member number to get started.

You can also check your balance 24/7 and make an investment switch in the Rest App.

* Based on SuperRatings Fund Crediting Rate Survey – SR 50 Balanced (60–76) Index of 20–year returns, June 2024. Awards and ratings are only some of the factors to consider when deciding how to invest your super. Further information regarding these awards can be found at **rest.com.au**.
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.

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† See page 11 for more information on changing your investment options.

02 Understanding risk

All investments have some level of risk. This section provides information to help you understand more about risks and their relationship to returns to help you choose an investment option(s) that suits you.

The words in *italics* in the following sections are explained in more detail in Section 9 (Terms explained).

What is risk?

Risk measures the chance that an investment's actual *return* will be negative or different to the expected return.

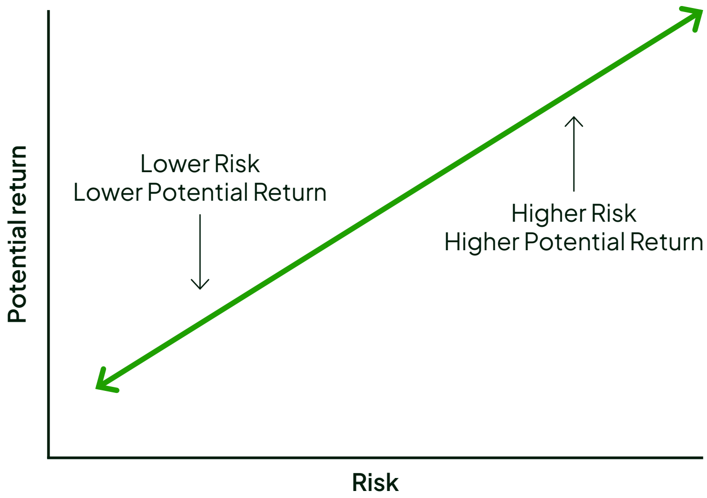
Whilst most investment risks can be managed, they can't be completely eliminated. All investments carry some risk.

It's important to be aware that there is a relationship between risk and return. Generally, the higher the potential return, the higher the risk of a negative *return* – this is called the risk return trade-off.

The level of risk for each of Rest's investment options varies and depends on the underlying mix of assets it holds.

The options with higher weightings of riskier assets (such as shares) have the potential for higher returns over the longer term. They also typically have the highest risk of negative returns – particularly over the short term.

Asset classes like cash deliver more stable returns over time, but tend to produce lower returns over the long-term. See page 8 for the different levels of potential risk and return for different asset classes.



Your investment timeframe

Your *time horizon*, or the period of time that your super is invested, is an important factor in choosing an investment option. If your retirement is 25 or 30 years away, you are likely to have more time to ride out the ups and downs of the market.

If you're close to retirement, you'll have less time to recover from a market downturn. Your tolerance for negative returns may be lower and you may prefer investments that historically produce smoother returns from year to year.

Even after you retire, you may still want to keep some of your super or pension in investments with the potential for higher returns. After all, you may be retired for 20 years or more.

What is the Standard Risk Measure?

We can measure risk using the *Standard Risk Measure*. Super funds use this so you can easily compare the risk of investment options both within and across super funds.

The Standard Risk Measure* is a guide to the likely number of negative annual returns expected over any 20-year period^. It is based on industry guidance which compares investment options across different funds. You can see the Standard Risk Measure for each of our investment options on pages 14–18. The risk bands and risk labels used in the Standard Risk Measure are based on the seven categories listed below:

Standard Risk Measure categories:

Risk Band	Risk Label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

Things you should consider

The Standard Risk Measure provided by Rest for our investment options are calculated using a number of assumptions, including the:

- forecast performance of investment markets;
- likely fluctuation in returns; and
- relationship between different asset classes.

These assumptions are not guaranteed and may change from time-to-time. A detailed explanation of our approach is available on our website at **rest.com.au/srm**.

Some risks of investing

Longevity risk
The risk that you will outlive your retirement savings.

Adequacy risk
The risk that your super savings may not be enough to meet your retirement needs.

Market and economic risk
Investment returns may be affected by economic conditions, government regulations, market sentiment, international events and other similar factors.

Inflation risk
The risk that your super savings are unable to keep up with the rising cost of living over time (inflation).

Interest rate risk
Changes in *interest* rates in Australia and overseas can have a direct or indirect impact on the value and return of all types of assets.

Currency risk
The value of investments in international assets may be affected by currency fluctuations.

Liquidity risk
From time-to-time, some investments may not be easily converted to cash. This may be due to abnormal or difficult market conditions or the nature or circumstances of the investment.

* The Standard Risk Measures are produced in accordance with the Standard Risk Measure guidance issued jointly by The Association of Superannuation Funds of Australia Limited and Financial Services Council in July 2011. The Standard Risk Measure is not a complete assessment of all forms of investment risk. It will not predict market downturns or the length and extent of them. Importantly, it does not tell you the details of potential negative returns or take into account the potential that positive returns might be less than what you need to meet your investment goals. In addition, your tolerance to risk will also depend on other important factors, including your age, how long you want to invest for, your financial needs and your assets.

^ The expected likelihood of a negative return is calculated on a before tax basis, without taking into account imputation credits and is before administration fees, but after investment management fees.

Inflation risk and super

What is inflation and how is it measured?

Inflation is the rate at which prices for goods and services increase over time. There are a few different ways to measure inflation, but the most common way of measuring it is the *Consumer Price Index (CPI).*

CPI looks at the prices of hundreds of things we spend money on and tracks how their prices change over time. Accepting lower market volatility – which generally also means accepting the potential for lower returns – may be a problem if you are trying to keep up with or beat inflation.

CPI and investment objectives

An investment objective is the option's target investment return. As inflation can reduce the value of your retirement savings over time, a number of Rest's investment options aim to outperform CPI. If your investment returns stay ahead of inflation rises, this helps maintain your buying power when you retire. If an investment option does not outperform the CPI over the long term, then longevity risk and adequacy risk could apply in retirement. See pages 14–18 for the aim and investment objective of each investment option.

Managing risk with diversification

One way to help manage risk is to invest across a range of assets. This is called *diversification*. It means that you don't have to rely on the performance of any one investment because if one falls in value, another may perform well to make up for the loss. This can help improve your overall investment outcomes over the long-term.

Within our diversified options (Capital Stable, Balanced, Balanced - Indexed, Growth, Sustainable Growth and High Growth), Rest invests across a range of asset classes to help reduce risk. As the table below shows, we can also diversify within asset classes and across countries.

Diversification types

	Example	Rest investment option
Across asset classes	A mix of asset classes, such as shares and debt	All diversified options
Within asset classes	A mix of securities, such as a mix of companies in different industries when investing in shares	All investment options
Across different countries	A mix of countries and geographical regions	All diversified options as well as Overseas Shares - Indexed

03 Super and investments

In this section, we explain how your super is invested and explain asset classes and asset allocation.

We can invest your super across different investment markets using a range of asset classes and investment strategies, as well as the skill and expertise of *investment managers*, to grow your retirement savings.

We set a long-term investment strategy and objective for each investment option and regularly monitor the performance against the investment option's strategy and objective.

To enhance returns and/or reduce the level of *risk*, we may also choose to invest in securities that fall within the particular asset class, but may not currently be included in the relevant *benchmark* or index. We may also use derivatives for this purpose (as described on page 20). For example, Rest's overseas shares asset class may include small capitalisation or emerging market shares that are not currently listed within the MSCI All Country World ex-Australia Index, but are still part of the underlying market measured by the index. We may also look to manage risk in a particular asset class by excluding certain types of investments from our investment portfolio, purchasing options or using other derivative instruments.

Understanding asset classes

An asset class is a group of investments that are similar in nature. Because they have similar characteristics, the investments tend to behave the same way as each other under various market conditions. Asset classes can generally be grouped into growth, mid-risk and defensive categories, as shown below.

Defensive assets

- tend to generate lower returns over the long term;
- have a lower risk of negative returns in the short term;
- include cash and debt.

Growth assets

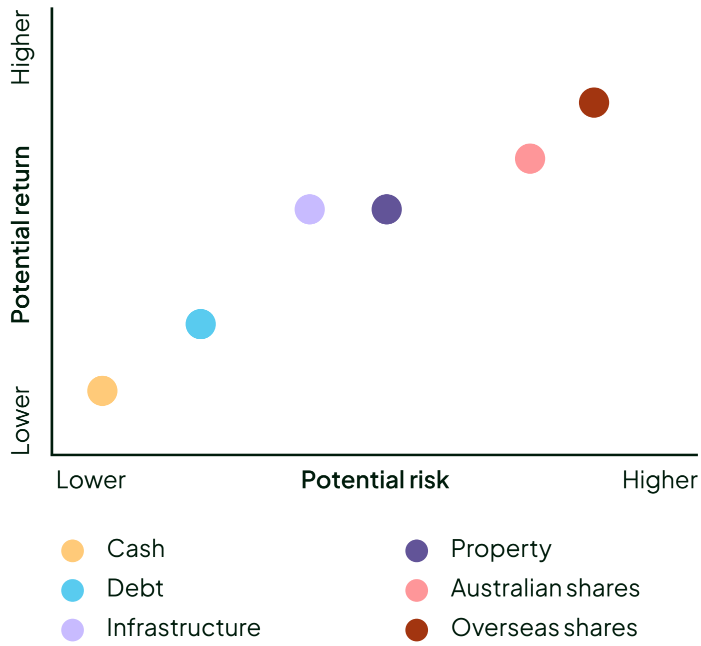
- have the potential to generate higher returns;
- have increased risks of negative returns over the short term;
- include Australian shares and overseas shares.

Property, infrastructure and alternative assets are considered 'mid-risk', meaning they have both growth and defensive features. However, individual investments made in those asset classes may be more aligned with growth or defensive features.

See how your money is invested

For a list of our investment managers, and investment holdings by investment option, please go to **rest.com.au/how-we-invest**.

Asset classes have different levels of potential risk and return



The 'Alternatives' asset class is not shown on the graph above as it covers a mix of strategies and investments that look to produce returns with low correlation to other asset classes in most market conditions.

Asset classes Rest invests in

Asset class	Description	Growth	Defensive
Cash	Includes deposits and short-term securities issued by major Australian banks, Australian Government and semi-government authorities.		✓
Debt	Includes a mixture of Australian and overseas debt securities issued by governments, semi-government authorities and companies along with credit securities such as high-yield bonds, bank loans, private loans and asset-backed securities. Debt securities typically have a fixed coupon paid on a regular basis and are exposed to both interest rate risk (the impact that changing interest rates have on bond values) and default risk.		✓
Alternatives	Includes a mix of investments and strategies that look to produce returns with low correlation to other asset classes in most market conditions. These may include traditional securities like shares, debt instruments and other alternative unlisted investments such as businesses that may directly hold, operate and/or manage natural asset holdings such as agriculture.	✓	✓
Property	Includes investments in directly held real property assets and both listed or unlisted investments in or alongside developers, operators and managers of real property assets (including office, residential, commercial, retail and industrial properties).	✓	✓
Infrastructure	Includes both listed and unlisted investments in or alongside developers, operators and/or managers of transport, utility and public facility assets and services, such as airports, shipping ports, toll roads, power generation and distribution assets, telecommunications and data infrastructure.	✓	✓
Shares	Represent part-ownership in a company. Shares generally provide returns in the form of dividends and, in the longer term, in the form of capital gains, but capital losses (negative returns) are also possible. Different categories of shares include: • **Australian shares** – investments in companies listed on the Australian Securities Exchange. • **Overseas shares** – includes investments in companies listed on foreign exchanges and investments in predominantly overseas funds managed by, or entities associated with, private equity firms which may involve the provision of equity and/or debt funding to companies not listed on a stock exchange or the taking private of listed entities.	✓	

The descriptions of the asset classes in the table may not cover all the types of investments that are included in Rest's asset classes.

Asset allocation

Asset allocation is the art of combining various asset classes to create options that can achieve particular risk and return outcomes. For example, increasing the percentage of growth assets allows us to create an investment option with a higher risk/return profile. Higher weightings to lower risk asset classes will create an option that is designed to deliver a lower risk/return outcome. Rest offers a range of investment options to suit your needs, as outlined in the next sections.

04 Choosing an investment option

This section outlines the range of investment options which you can choose from.

Rest understands that your needs, tolerance to risk and retirement goals may change over time. So it's important to know that you are not locked in*. You have the flexibility to change your option at any time and you can even invest in more than one option. (Please note that a *buy-sell spread* will apply.)

Your options

You can choose from one or more of the following investment options:

- Cash
- Capital Stable
- Balanced
- Balanced - Indexed
- Growth
- Sustainable Growth
- High Growth
- Australian Shares - Indexed
- Overseas Shares - Indexed

Growth

Rest's default MySuper product, Growth, aims to achieve a balance of *risk* and *return* by investing in both growth and defensive assets, with a weighting to growth assets.

The asset allocation of the Growth option is actively managed, taking into account current and expected market conditions. It is invested in various asset classes, including cash, debt, property, infrastructure, other investments and shares, and the investment mix is adjusted around the benchmark weighting within the ranges nominated by the Trustee.

More information about the Growth option can be found on page 16 of this guide.

Diversified options

The Sustainable Growth option is invested in various asset classes. The asset allocation is actively managed and is adjusted around the benchmark allocation within the ranges shown on page 16.

Rest's other diversified options are invested in various asset classes to match different member needs. We determine an appropriate asset allocation to enable each option to achieve its investment objective. The asset allocation is reviewed on an annual basis but is not actively managed. More information on these options can be found on pages 14–17.

Other options

We also offer three investment options that invest in a single asset class - Cash, Australian Shares - Indexed and Overseas Shares - Indexed. More information on these options can be found on pages 14–18.

When you first join Rest Super or Rest Corporate, your super will automatically be invested in Rest's Growth option, unless you tell us otherwise. This is Rest's default MySuper product.

* See page 11 for more information on changing your investment options.

Help to choose the option that's right for you

Our Investment Choice Solution* can help you work out which investment option might suit you. You'll be asked some simple questions and we'll recommend how your super at Rest should be invested.

Visit **rest.com.au/investmentchoicesolution**. If you feel you'd like some extra guidance, you can talk over the phone with a Rest Adviser*. Just visit **rest.com.au/advice** to book your appointment.

Simple personal advice about your Rest account is generally available to you at no extra cost. Complex personal advice may incur an additional fee that is not payable from your Rest account. Speak with your Rest Adviser for more information about personal advice and any fees that may be payable.

What is an index?

An index measures the performance of a group of related assets.

For example, the S&P/ASX 300 Accumulation Index (ASX 300) is used as a common measure of the Australian share market and is made up of the largest 300 shares in Australia based on their market value.

Changing your investments option(s)

You have the flexibility to change your investment option(s) – this is known as a '*switch*'.

When you make a switch, you need to decide if you want to switch:

- your current account balance;
- the way *future transactions* are applied; or
- both your account balance and the way future contributions are applied.

There is a separate buy and sell *unit price* for each option. When you buy units in an investment option, the buy price generally applies. When you sell units in an investment option, the sell price generally applies.

How we apply switches

If we receive your switch request:

- **Before 4pm** AEST/AEDT on a business day, your switch will take effect two business days later.
- **At or after 4pm** AEST/AEDT on a business day or receive your request on a weekend or public holiday, your switch will take effect three business days later.

For further information and terms on switching an investment option, visit **rest.com.au/investments-switch**.

We may delay or suspend switches or withdrawals from your account if:

- there are delays by third parties in processing our requests. For example, if an underlying fund delays or suspends issuing unit prices
- a switch or withdrawal would adversely affect the Fund
- we cannot realise sufficient assets to satisfy your payment due to circumstances outside our control, for example, markets have been restricted or suspended.

The delays or suspensions of payment could be significant. We are not responsible for any losses caused by these delays.

How to switch investment options

You can switch your investment options online in MemberAccess at **rest.com.au/memberaccess** or in the Rest App.

Visit **rest.com.au/app** to download the Rest App. You'll need your Rest member number and password to login to MemberAccess or the Rest App.

Don't know your member number? Use our handy online 'find my member number' widget at **rest.com.au/findmymembernumber**.

If you have any difficulties logging into Member Access, one of our Live Chat agents can help.

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05 Investment options in detail

This section outlines Rest's investment options in detail, so you can compare them. We've explained the important terms used in the tables in the example on the next page.

It's also important to know:

- Unless otherwise stated, the investment option returns (net of investment fees and tax) outlined in this document are to 30 June each year.
- For all options other than Growth and Sustainable Growth:
  - 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; and
  - Where an option does not currently have a benchmark allocation to Cash, we may decide to add an allocation of up to 5%.
- 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.
- Changes in exchange rates can either increase or decrease the value of overseas investments when converted into Australian dollars. For each option we decide (at least annually) how much overseas currency exposure we want to hold and we set a target. This helps to manage how much exchange rate changes may influence returns. We monitor the overseas currency exposure and may use financial instruments to manage such exposure to our targets.
- Rest may vary the asset allocations (including the benchmark and ranges) of all or any of these options and introduce new options without prior notice. The asset allocations for each investment option are available at **rest.com.au/investments/options**.
- The *investment return objectives* quoted on pages 14–18 of this guide are not guaranteed.
- The asset allocations for each investment option on the following pages are the benchmark asset allocations for those investment options and are indicative of how the investment options are invested.
- **Your investment in a Rest investment option is not guaranteed.**
- The value of your investment can rise or fall. The returns shown for each investment option are based on the past performance of the option in the market conditions at that time. These market conditions may not be repeated in the future. We've quoted these returns to indicate the expected relative performances of the investment options over the long term.
- **Past performance is not an indication of future performance.** You should consider getting financial advice before making an investment decision.

Understanding your investment options

Name of investment option.

The goal for the investment option.

The investment option's target return. It is not a guaranteed rate of return.

How the option is invested across different asset classes.

The proportion of the various asset classes that make up this investment option.

The asset classes that make up this investment option showing benchmark allocations (and ranges for the Growth and Sustainable Growth options).

The suggested period of time that you keep your investment in this option.

A guide to the likely number of negative annual returns expected over any 20-year period.

Between 1 (very low) and 7 (very high).

Past performance is not an indicator of future performance.

What this investment option has returned in a particular year.

The average annual return of this investment option over a given time period.

Growth

Aim

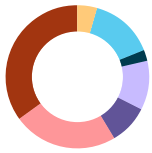
Achieve a balance of *risk* and *return* by investing in both growth assets and defensive assets.

Investment return objective

CPI + 3% pa (after fees and tax) over rolling 10-year periods.

Asset allocation

A balance of growth and defensive assets, with a focus on growth assets (can range between 60–75% growth assets) consisting of shares and debt (both Australian and overseas), property, infrastructure, cash and other asset classes.



- Cash 4.5% (0–10%)
- Debt 14.5% (5–25%)
- Alternatives 2.5% (0–10%)
- Infrastructure 11% (5–20%)
- Property 9% (5–15%)
- Australian shares 23.5% (15–30%)
- Overseas shares 35% (30–40%)

Minimum suggested timeframe

10+ years

Estimated number of negative annual returns over any 20-year period

4 to less than 6

Risk band and level

6, High

Yearly return

(what this option has returned)

Financial year ended	Super account
2020	-1.05%
2021	17.43%
2022	-2.37%
2023	9.26%
2024	8.67%

Annualised return pa

(period ended 30 June 2024)

Five year	6.14%
Ten year	6.75%

Cash

Aim

Achieve the investment objective by maintaining a defensive investment in bank deposits.

Investment return objective

Outperform the return of the Reserve Bank cash rate before tax and fees over rolling 1–year periods.

Asset allocation

Predominantly defensive assets (generally 100% defensive assets) consisting of deposits with major Australian banks. The portfolio currently invests exclusively into deposits with Australia and New Zealand Banking Group Limited (ANZ) (60%) and National Australia Bank Limited (NAB) (40%). The portfolio may also (but does not currently) invest in other deposits with, or short term discount securities (bank bills, negotiable certificates of deposit) issued by major Australian banks and short-dated debt issued and guaranteed by the Australian Commonwealth or State Governments. This option is not a deposit by you in a bank account and your balance is not guaranteed under the Australian Government bank deposit guarantee scheme.

Minimum suggested timeframe

3 months or less

Estimated number of negative annual returns over any 20–year period

Less than 0.5

Risk band and level

1, Very Low

Yearly return

(what this option has returned)

Financial year ended	Super account
2020	1.26%
2021	0.81%
2022	0.50%
2023	2.90%
2024	4.12%

Annualised return pa

(period ended 30 June 2024)

Five year	1.91%
Ten year	1.97%

Capital Stable

Aim

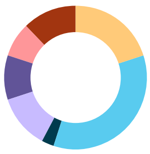
Provide a stable pattern of returns whilst maintaining a low probability of a negative return in any one year.

Investment return objective

CPI + 1% pa (after fees and tax) over rolling 10–year periods.

Asset allocation

Primarily defensive assets (can range between 60–75% defensive assets) consisting of mainly debt (both Australian and overseas) and cash, with a smaller proportion of shares (both Australian and overseas), property, infrastructure and other asset classes.



Minimum suggested timeframe

4+ years

Estimated number of negative annual returns over any 20–year period

1 to less than 2

Risk band and level

3, Low to Medium

Yearly return

(what this option has returned)

Financial year ended	Super account
2020	-0.15%
2021	9.14%
2022	-0.32%
2023	4.88%
2024	4.71%

Annualised return pa

(period ended 30 June 2024)

Five year	3.59%
Ten year	4.26%

Balanced

Aim

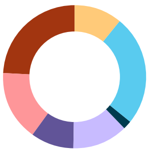
Achieve a balance of risk and return by investing in approximately equal proportions of growth assets and defensive assets.

Investment return objective

CPI + 2% pa (after fees and tax) over rolling 10–year periods.

Asset allocation

A balance of growth and defensive assets (can range between 45–60% growth assets) consisting of shares and debt (both Australian and overseas), property, infrastructure, cash and other asset classes.



- Cash 11%
- Debt 25%
- Alternatives 2%
- Infrastructure 12.5%
- Property 9.5%
- Australian shares 16%
- Overseas shares 24%

Minimum suggested timeframe

6+ years

Estimated number of negative annual returns over any 20–year period

3 to less than 4

Risk band and level

5, Medium to High

Yearly return

(what this option has returned)

Financial year ended	Super account
2020	-0.82%
2021	13.91%
2022	-0.91%
2023	6.93%
2024	6.71%

Annualised return pa

(period ended 30 June 2024)

Five year	5.02%
Ten year	5.65%

Balanced – Indexed

Aim

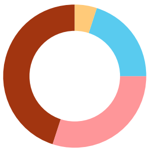
Achieve the investment objective through an indexed based investment in a mixture of growth and defensive assets.

Investment return objective

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.

Asset allocation

A mix of growth and defensive assets, with a focus on growth assets (can range between 70–85% growth assets) consisting of shares and debt (both Australian and overseas), and cash.



- Cash 5%
- Debt 20%
- Australian shares 30%
- Overseas shares 45%

Minimum suggested timeframe

12+ years

Estimated number of negative annual returns over any 20–year period

4 to less than 6

Risk band and level

6, High

Yearly return

(what this option has returned)

Financial year ended	Super account
2020	0.44%
2021	19.98%
2022	-6.99%
2023	12.38%
2024	12.17%

Annualised return pa

(period ended 30 June 2024)

Five year	7.16%

The inception date of this option is 6 December 2018. The 2020 return is the first full financial year return available. Ten-year annualised returns are not yet available.

Growth

Aim

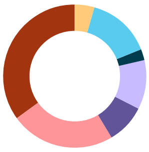
Achieve a balance of *risk* and *return* by investing in both growth assets and defensive assets.

Investment return objective

CPI + 3% pa (after fees and tax) over rolling 10-year periods).

Asset allocation

A balance of growth and defensive assets, with a focus on growth assets (can range between 60–75% growth assets) consisting of shares and debt (both Australian and overseas), property, infrastructure, cash and other asset classes.



- Cash 4.5% (0–10%)
- Debt 14.5% (5–25%)
- Alternatives 2.5% (0–10%)
- Infrastructure 11% (5–20%)
- Property 9% (5–15%)
- Australian shares 23.5% (15–30%)
- Overseas shares 35% (30–40%)

Minimum suggested timeframe

10+ years

Estimated number of negative annual returns over any 20-year period

4 to less than 6

Risk band and level

6, High

Yearly return

(what this option has returned)

Financial year ended	Super account
2020	-1.05%
2021	17.43%
2022	-2.37%
2023	9.26%
2024	8.67%

Annualised return pa

(period ended 30 June 2024)

Five year	6.14%
Ten year	6.75%

Sustainable Growth

Aim

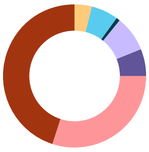
Maximise returns over the long term by investing in a diversified portfolio with enhanced environmental, social and governance investment characteristics that is weighted towards growth assets.

Investment return objective

CPI + 3.5% pa (after fees and tax) over rolling 12-year periods.

Asset allocation

A mix of growth and defensive assets, with a focus on growth assets (can range between 70–85% growth assets) consisting of shares (both Australian and overseas), property, infrastructure, other asset classes plus smaller amounts of debt (both Australian and overseas) and cash.



- Cash 4% (0–10%)
- Debt 6% (0–15%)
- Alternatives 1% (0–5%)
- Infrastructure 8% (0–15%)
- Property 6% (0–15%)
- Australian shares 30% (25–35%)
- Overseas shares 45% (40–50%)

Minimum suggested timeframe

12+ years

Estimated number of negative annual returns over any 20-year period

4 to less than 6

Risk band and level

6, High

Yearly return

(what this option has returned)

Financial year ended	Super account
2022	-6.62%
2023	11.68%
2024	9.68%

The inception date of this option is 29 March 2021. The 2022 return is the first full financial year return available. Five and ten-year annualised returns are not yet available. Further details of the enhanced social and governance characteristics of the Sustainable Growth option are set out in Section 8 of this guide.

High Growth

Aim

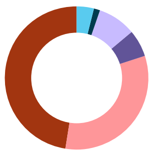
Maximise returns over the long term by investing predominantly in growth assets.

Investment return objective

CPI + 4% pa (after fees and tax) over rolling 12–year periods.

Asset allocation

Strongly focused on growth assets, with a minor allocation to defensive assets (can range between 80–90% growth assets) consisting of shares (both Australian and overseas), property, infrastructure and other asset classes.



- Debt 4%
- Alternatives 1.5%
- Infrastructure 8.5%
- Property 6%
- Australian shares 32.5%
- Overseas shares 47.5%

Minimum suggested timeframe

12+ years

Estimated number of negative annual returns over any 20-year period

4 to less than 6

Risk band and level

6, High

Yearly return

(what this option has returned)

Financial year ended	Super account
2020	-1.93%
2021	23.17%
2022	-2.10%
2023	12.07%
2024	11.10%

Annualised return pa

(period ended 30 June 2024)

Five year	8.04%
Ten year	8.55%

Australian Shares – Indexed

Aim

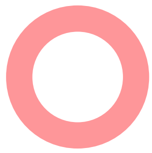
Achieve the investment objective through an index based investment in Australian shares.

Investment return objective

Perform in line with the benchmark S&P/ASX 300 Accumulation Index (before tax) over all time periods.

Asset allocation

Predominantly growth assets (can range between 90–100% growth assets) consisting of Australian shares.



- Australian shares 100%

Minimum suggested timeframe

12+ years

Estimated number of negative annual returns over any 20-year period

6 or greater

Risk band and level

7, Very High

Yearly return

(what this option has returned)

Financial year ended	Super account
2020	-6.72%
2021	26.05%
2022	-5.69%
2023	14.55%
2024	11.45%

Annualised return pa

(period ended 30 June 2024)

Five year	7.20%

The inception date of this option is 6 December 2018. The 2020 return is the first full financial year return available. Ten-year annualised returns are not yet available.

Overseas Shares - Indexed

Aim

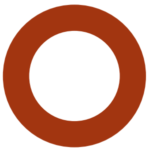
Achieve the investment objective through an index based investment in overseas shares.

Investment return objective

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

Asset allocation

Predominantly growth assets (can range between 90–100% growth assets) consisting of overseas shares.



- Overseas shares 100%

Minimum suggested timeframe

12+ years

Estimated number of negative annual returns over any 20-year period

4 to less than 6

Risk band and level

6, High

Yearly return

(what this option has returned)

Financial year ended	Super account
2020	3.82%
2021	25.13%
2022	-6.02%
2023	20.54%
2024	18.07%

Annualised return pa

(period ended 30 June 2024)

Five year	11.68%

The inception date of this option is 6 December 2018. The 2020 return is the first full financial year return available. Ten-year annualised returns are not yet available.

06 Important information

Unit prices and working out the value of your account

When you invest with Rest, your account balance is made up of contributions, rollovers and transfers into the Fund, plus or minus investment returns, less any fees, charges, taxes, insurance costs that apply and any benefits you claim.

Delays may occur in allocating contributions, transfers and rollovers to your account (including funds associated with your application to join Rest). This may occur for a number of reasons, including where we don't have all the required information to process the transaction. If we cannot accept or allocate money received, the money will be returned without interest. Interest earned on unallocated amounts will be retained by the Fund for the benefit of Rest members.

The value of your account is expressed in numbers of units and the unit value for each investment option.

Each investment option has its own *unit price*, which is the monetary value of one unit. Unit prices are normally calculated by dividing the value of the assets held in the investment option (after allowing for certain fees and expenses such as management fees and expenses, and taxes) by the total number of units on issue for that investment option.

Income entitlements are included in asset values to calculate the unit price.

Your funds will purchase a number of units in the investment option(s) of your choice. The number of units purchased depends on the value of the units (called the unit price) at the date of purchase. When funds are invested in an option, it will generally use the buy price. Details of the unit prices for each investment option are available on our website at **rest.com.au/unitprices**.

The value of your account balance will fluctuate depending on variations to the unit price of your investment option(s) and the amount of any taxes, fees, charges and insurance costs applied to your account. Your member statement will show your account balance's dollar value and the number of units you hold.

Before you switch out of an investment option or leave the Fund

The benefit payable to you on withdrawal from the Fund is worked out by multiplying the number of units you hold by the applicable sell unit price at the date of withdrawal, less any taxes, fees, charges and insurance fees that may apply to your account.

The sell unit price reflects the value of each unit in an investment option. When you switch out of an investment option, withdraw an amount, or leave the Fund, the sell unit price used is at the time that your transaction is processed. Unit prices can vary and buy-sell spreads may apply. You should check the latest prices before making a decision.

Valuation policy

Rest values its investments regularly so that it can process contributions, withdrawals and switches at values that are fair and reasonable which will usually be market value. Listed assets are valued by Rest's Custodian with security prices from publicly quoted and independent security pricing services.

Unlisted assets are valued on a regular basis according to an approved valuation methodology. However valuations for unlisted assets are less frequent than for assets like shares which are traded daily in the public markets.

Once the revaluation of an investment is received it will be fully reflected in unit prices at the next available opportunity. Unit prices are generally declared on a daily basis. For more information on unit pricing, please visit **rest.com.au/unitprices**.

Rest can delay or suspend the release of unit prices, or apply a special price due to volatile market conditions and other circumstances as the Trustee deems reasonable. Rest has unit pricing and market disruption policies, which when triggered, will apply instead of normal practices.

Considerations for Rest's Cash option

Rest's Cash option currently invests exclusively in deposits with ANZ (60%) and NAB (40%). Other than in certain limited circumstances, Rest is required to give at least 12 months' prior notice to ANZ and NAB to change this arrangement. This option is not a deposit by you in a bank account and your balance is not guaranteed under the Australian Government bank deposit guarantee scheme.

Indexed options

Rest does not guarantee that an investment in an indexed option will achieve the relevant index benchmark at all times. The reasons include:

- Any fees or costs that are incurred (such as buy-sell spread or indirect costs) will reduce your returns below the indexed return
- For the Balanced – Indexed option – the various underlying investments may (between rebalance dates) not be held in the same proportions as the calculated benchmark. This may result in the calculated benchmark not being realised
- The composition (tax character) of the return is likely to be different to the underlying index. That is, the investment is likely to have a different split between income and capital returns which, post tax, are likely to result in a different return to that of the index. This may arise from underlying transactions and/or result from financial instruments (such as derivatives) that are used to provide the indexed return
- Index publishers occasionally restate or republish index values. The investment return may not be able to be adjusted to reflect any retrospective alteration

- The mechanisms Rest uses to provide the indexed return (i.e. underlying investments and any associated derivatives) may cease to operate in certain circumstances. This could result in a delay or failure to realise the indexed return. Those circumstances may also result in additional indirect costs being attributable to the indexed options, which would further reduce the indexed return
- The value of an indexed option may lag the relevant underlying index.

Derivatives

A derivative is a financial instrument that 'derives' its value from an underlying asset. Common examples are options and futures.

Derivatives can give investors the same market exposure as the underlying asset, but with lower transaction costs. However, derivatives involve the risk that the counter party will not settle a transaction in accordance with its terms, or that the investment is not valued or does not perform in line with the underlying asset.

Derivatives will typically rise and fall, just as the value of the underlying asset will rise and fall. Investors might have a number of reasons for preferring derivatives in specific situations. Rest, for example, allows its *investment managers* to use derivatives to:

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

Superannuation law and the Australian Prudential Regulation Authority (APRA) have laid down strict conditions on the use of derivatives by super funds. Rest monitors its investment managers' compliance with those conditions.

In the long term, the use of derivatives is expected to enhance Rest's investment returns and provide an effective way to manage risk, although the effect will vary from year to year.

Rest may use derivatives to rebalance asset classes to benchmark allocations.

Asset description and reporting

Rest's description and reporting of asset classes, asset allocations, investment options and returns may be impacted by the use of derivatives. That is, in addition to the underlying investments described for an asset class, derivatives may be used to change the returns of an asset class without transacting those underlying investments directly.

Within asset classes, from time-to-time, there can be a holding of cash depending on how investment managers are structuring their portfolios.

Trustee investment strategy

Rest may change the underlying investment managers of the investment options at any time. We may also close investment options and introduce new investment options at any time.

Within each *asset class*, the Trustee may implement particular investment strategies to enhance returns or reduce risk. This may be achieved by making or excluding particular investments and through the use of derivatives.

Reserves

Rest currently maintains a number of reserves, including an operational risk financial requirement reserve, group life insurance reserve and administration reserve. These reserves are maintained and used in accordance with Rest's reserving strategy and policy, such as to meet any losses from operational risk, insurance, administration or capital expenditure payments. Rest currently has adequate provisions in its reserves. Rest reserves the right to adjust unit prices in accordance with its reserving policy without prior notice. This includes transferring funds from investment option earnings to reserves which may impact the respective unit prices.

07 Responsible investment

Acting in the best financial interests of our members is at the heart of everything we do.

As a universal owner*, we aim to be a responsible investor. Responsible investment involves an approach to investing that incorporates environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns.

Rest's approach to Responsible Investment

Rest's approach to Responsible Investment varies between investment options as follows:

Responsible Investment Approach:	ESG integration	Active ownership	General exclusions – negative screens	Additional ESG considerations
Cash	✓	✓	✓	✕
Capital Stable	✓	✓	✓	✕
Balanced	✓	✓	✓	✕
Balanced – Indexed	✕	–	✕	✕
Growth	✓	✓	✓	✕
Sustainable Growth	✓	✓	✓	✓
High Growth	✓	✓	✓	✕
Australian Shares – Indexed	✕	–	✕	✕
Overseas Shares – Indexed	✕	–	✕	✕

✓ Rest's approach to responsible investment *applies*

✕ Rest's approach to responsible investment *does not* apply

– Rest's approach to active ownership is *not directly applied*, however members in these options may benefit from active ownership activity Rest undertakes for securities held in other investment options, when the same security is held in this option (see Active ownership on the next page).

* Universal Owner: large institutional investors are often referred to as 'Universal Owners'; this is because they generally have highly-diversified and long-term portfolios that are representative of global capital markets; effectively holding a 'slice' of the whole global economy and market through their portfolios as defined by UNPRI **www.unpri.org/environmental-issues/universal-ownership-why-environmental-externalities-matter-to-institutional-investors/4068.article**.

ESG integration

Our approach to ESG integration involves consideration of material ESG factors in investment decisions and when we engage investment managers to invest for us. At Rest, material ESG factors are those that are expected to have a significant impact on the value of the investment and these factors may differ between investments. How and what ESG factors are integrated will depend on the unique context of the investment, whether the assets are in public or private markets, and whether the investment is managed by Rest, through an investment manager or is held through a collective investment vehicle.

Further detail is available in our Responsible Investment Policy at **rest.com.au/responsible-investment**. Depending on the context, the ESG factors we may consider in our investment process include:

Environmental

- Climate change
- Energy efficiency
- Waste management
- Pollution to land, air and water
- Water availability
- Biodiversity

Social

- Human rights and modern slavery
- First Nations and Indigenous rights
- Health, safety and wellbeing
- Diversity and equal opportunities
- Animal welfare

Governance

- Corporate governance
- Board diversity
- Executive remuneration
- Political lobbying and donations

Active ownership

Our approach to active ownership for listed shares, excluding Rest's indexed options, involves communicating members' long-term investment interests to certain companies in which the Fund invests, and to investment managers who invest on Rest's behalf. We do this using Rest's ownership rights to influence activities or behaviours to seek to improve investment performance. Rest identifies and prioritises companies for engagement based on the expected ESG factors that we believe may most materially impact members' long-term financial interests.

In doing so, we seek to positively influence a company's policies and practices across a range of ESG factors, with priorities identified based on their materiality, severity and perceived risk.

Rest takes a three-pronged approach to listed company engagement through:

- service provider engagement including, for example, through the Australian Council of Superannuation Investors (ACSI) with respect to ASX300 companies, and EOS at Federated Hermes (EOS) for our international equities holdings;
- collaborative engagement with industry partners and like-minded investors; and
- direct engagement with Australian companies.

In addition to Rest's approach to engagement, exercising its voting rights in respect of listed shares, with the exception of Rest's indexed options, is an important part of Rest's approach to active ownership.

Our voting behaviours aim to protect and enhance sustainable, long-term value creation of our members' financial interests. Our voting positions where relevant consider inputs from:

- engagement with the company;
- proxy voting advice;
- company disclosures;
- views of investment managers (internal and external); and
- other stakeholders where relevant.

For more information on Rest's approach to voting visit **rest.com.au/rest_web/media/documents/why-rest/about-rest/corporate-governance/responsible-investment-policy.pdf** and for a consolidated summary of voting decisions in listed shares, visit **rest.com.au/why-rest/about-rest/corporate-governance**.

Rest does not take an active approach to voting for any shares held in the indexed options as we do not have direct control.

Another way we aim to enhance and protect your long-term investment returns is to gather ESG insights and to make submissions on policy, regulation and standard setting on ESG practices to government and regulators. We may do this individually or through collaboration via responsible investment industry bodies.

Rest is a signatory to the Principles of Responsible Investment (PRI) and an active member of ACSI, the Australian Sustainable Finance Institute (ASFI), the Investor Group on Climate Change (IGCC), the Responsible Investment Association Australasia (RIAA), Climate Action 100+, FAIRR, Nature Action 100, Investors Against Slavery and Trafficking Asia Pacific (IAST APAC), the Green Buildings Council Australia (GBCA) and the Global Real Estate Sustainability Benchmark (GRESB).

General exclusions

For the investment options other than Rest's indexed options, our approach to general exclusions (otherwise known as negative screens) involves the exclusion of companies from our investment portfolio that are directly involved in certain industries, as set out below. The exclusion of a company is assessed at the time of purchase and as part of quarterly reviews, and is subject to the 'Exceptions and limitations' below.

General exclusions, otherwise known as negative screens

Exclusion	Details of exclusion
Tobacco manufacturers	A company directly involved in (i.e. 0% revenue threshold) the production of tobacco and nicotine alternatives.
Controversial weapons manufacturers	A company directly involved in the production of controversial weapons (cluster bombs, landmines, uranium weapons and chemical and biological weapons or their key parts).
Thermal coal mining	Rest does not invest in or hold shares in listed companies that derive 10% or more of total annual revenues from thermal coal mining, unless certain climate-related criteria can be met. To meet the climate-related criteria, the company must have a credible net zero emissions by 2050 target* or be committed to setting targets for greenhouse gas emission reduction grounded in climate science as assessed by the Science Based Targets initiative.

* In assessing the credibility of a company's net zero emissions by 2050 target, Rest will use third party research provided by its service providers, when available. Where such research is limited or not available, the credibility of a company's net zero emissions by 2050 target may be assessed by Rest internally (based on industry-recognised frameworks).

Additional ESG considerations

Rest applies additional ESG related considerations including additional exclusions, otherwise known as negative screens, to the Sustainable Growth option (see Section 8: Sustainable Growth option).

Exceptions and limitations

The exclusions do not apply to Rest's investments in derivatives and may not apply to investments in certain investment structures or instruments (such as financial products that give the holder exposure to a pool of loans, bonds or other debt products) or collective investment vehicles (including private funds and exchange-traded funds) where Rest is unable to require and ensure such exclusions are applied by the manager of the vehicle. In respect of Rest's investments in private funds, Rest may have the power to opt out of certain investments which do not comply with the general exclusions or to dispose of its interests in the private fund if the manager of the private fund acquires investments which do not comply with the general exclusions.

Third party research from Rest's service providers is generally used when determining and applying screens and exclusions. This includes information on a company's revenue which is generally based on total or gross annual revenue. However, in the absence of such, net sales or operating revenue as reported by the company in its financial statements may be used.

Rest's ESG analysis, including determining and applying general exclusions, otherwise known as negative screens, on investments may be impacted by limitations of third-party data and research. There is an inherent lag in this process as such research undertaken and reporting is backward-looking and there may also be temporary data quality or processing issues (e.g. delays or inaccuracy) that may arise from time-to-time. This may result in the portfolio holding investments that do not meet the above criteria for a period of time. Once identified, such investments are typically excluded from the portfolio at the next quarterly review. In addition, the circumstances of an existing investment may change which may result in Rest holding an investment that becomes subject to an exclusion. This could include, for example, a company merger or acquisition of an investment that was not previously subject to an investment exclusion. If an existing investment is identified as not subsequently meeting the criteria of an applicable exclusion, Rest will seek to dispose of that investment in the best financial interests of its members taking into consideration relevant factors such as liquidity, market conditions and investment structure.

For the latest information about Rest and responsible investment including Rest's Responsible Investment Policy, visit **go.rest.com.au/responsible-investment**.

08 Sustainable Growth option

This Section 8 only applies to the Sustainable Growth option.

The Sustainable Growth option enables members to choose an investment option designed to meet its return objective based on traditional risk return investment analysis, along with additional and more specific ESG considerations.

Sustainable Growth contains a mix of responsible investment approaches. In addition to the integration of ESG factors and active ownership (as outlined under 'ESG Integration', 'Active ownership' and 'General exclusions – negative screens' in section 7: Responsible Investment of this guide), the Sustainable Growth option applies certain additional screening – including exclusionary (negative) screens applied to the listed share portfolio, and other positive and discretionary screens.

Sustainability outcomes of the Sustainable Growth option are included in Rest's annual member reporting.

Listed Australian shares and overseas shares

Subject to the 'Exceptions and limitations' below, Sustainable Growth's investment in listed Australian and overseas shares excludes companies that do not meet certain negative ESG screens (see Additional exclusions below) and is positively weighted towards companies that are considered by our investment manager(s) to have strong practices in, or to be positive contributors towards:

- environmental sustainability and resource efficiency;
- equitable societies and respect for human rights;
- accountable governance and transparency.

Sustainable Growth may still invest in companies (typically with diverse revenue streams) that invest in, lend money to, buy from or sell products or services to excluded companies.

These might include:

- banks who lend money to an excluded company;
- companies that sell technology systems to an excluded company; or
- companies that sell equipment and services to an excluded company, for example, companies that sell equipment and services for power generation from fossil fuels.

Further discretionary screens may be applied in certain circumstances, for example when the major activities of the company are identified by either Rest or our investment manager as being so intolerable that exclusion is justified.

Sustainable Growth's investments in listed Australian and overseas shares have a combined benchmark asset allocation of 75% for the Sustainable Growth option.

Sustainable Growth's investments in listed Australian and Overseas shares (excluding private equity) target a weighted average carbon intensity (WACI) (measured in tonnes of carbon emissions (Scope 1 and Scope 2) per million dollars in sales in US dollars) that is at least 50% lower than their respective benchmarks, being the ASX300 and MSCI World ex Australia.

In seeking to achieve this target, the Australian and overseas shares (excluding private equity) portfolios are reviewed and rebalanced on a quarterly basis against this target.

The exclusions applied to both the Sustainable Growth option's listed Australian and overseas shares' allocation are outlined on the next page, along with an overview of how we apply these exclusions and any exceptions or limitations (please refer to the 'Exceptions and limitations' section below). These exclusions are applied by our investment manager(s) on a quarterly basis, who apply agreed criteria and screens (including against third-party ratings) to assess the relevant investments made on Rest's behalf against the exclusion criteria. The application of certain negative screens may involve criteria that is subjective in nature. This may result in certain investments being included or excluded from the Sustainable Growth option based on the application of those criteria. Further details of the portfolio holdings held in the Sustainable Growth option can be found on our website.

These exclusions apply to listed Australian and overseas shares only and do not include private equity. There are currently no private equity investments held by the Sustainable Growth option.

Additional exclusions, otherwise known as negative screens

Exclusion	Details of exclusion*
Controversies related to environmental damage	A company identified by our investment manager's third party data providers as materially and directly contributing to serious environmental issues and environmental controversies.
Fossil fuels	A company which: • Owns fossil fuel (thermal coal, metallurgical coal, oil and gas^) reserves; • Derives any of its revenue (i.e. 0% revenue threshold) from – oil and gas^ exploration, production and related activities (pipeline transportation, refineries, and equipment and services for oil and gas exploration and production) – power generation from thermal coal, oil and gas^ (however, Sustainable Growth may still invest in companies that sell equipment and services for power generation) – the leasing, mining and processing of coal and coke; and uranium, radium, and vanadium mining are also excluded. ^including, but not limited to, oil sands and arctic oil and gas.
Controversies related to unethical supply chain practices	A company identified by our investment manager's third party data providers as materially and directly contributing to human rights and labour rights issues and controversies in their supply chain.
Animal cruelty	A company involved in commercial factory farming, live animal export (Australian shares only), raises animals for live export (Australian shares only) or conducts testing on animals for non-medical reasons, except when required by regulation.
Controversies related to workplace discrimination and diversity	A company identified by our investment manager's third party data providers as materially and directly contributing to diversity and inclusion issues or controversies in the workplace, and/or inadequate responses to, and prevention of, workplace discrimination.
Remuneration	A company identified by our investment manager's third party data providers as having poor practices in remuneration, such as excessive executive remuneration.
Gambling	A company that generates over 5% of its annual revenue from the ownership or operation of gambling facilities or the provision of key products or services specific and fundamental to gambling operations.
Controversial and nuclear weapons	A company involved in developing, producing, and maintaining nuclear weapons, nuclear weapons components and nuclear weapons delivery platforms, including those designed for dual-uses. A company involved in the production of controversial weapons (cluster bombs, landmines, uranium weapons and chemical and biological weapons or their key parts).
Palm oil	A company that produces palm oil or distributes palm oil products (but excluding the manufacture or sale of products that use palm oil as an ingredient).
Tobacco	A company that generates over 5% of its annual revenue from the retail sale of tobacco and nicotine alternative (e.g. vaping devices and e-cigarettes) products. A company involved (i.e. 0% revenue threshold) in the production of tobacco and nicotine alternatives.

* See Exceptions and limitations on page 27 for more information on the exclusions.

Other asset classes in the Sustainable Growth Option

Subject to the exceptions and limitations set out further below, Sustainable Growth's approach for other asset classes in which it invests is set out below.

Cash

Sustainable Growth does not apply any additional exclusionary (negative) screens in respect of the Cash asset class and may hold any investment in the Cash asset class.

Debt

While Sustainable Growth may invest in any investment in the Debt asset class subject to the 'General exclusions' in Section 7, it aims to have a 20% higher weighting to green, social and sustainability bonds (where the proceeds from the bonds align to positive environmental or social outcomes as outlined in International Capital Market Association (ICMA) principles) compared to the Debt asset class benchmark (Bloomberg Global Aggregate Treasuries).

Property

Sustainable Growth invests in property investments that:

- are expected to contribute towards the transition to a low carbon economy based on our research and assessment (as generally conducted in accordance with industry-recognised standards and frameworks); or
- have achieved, or have a credible target (based on our research and assessment) to achieve, a GRESB* score equal to or above the peer group average or global average for either the GRESB Real Estate Standing Investments Benchmark or the GRESB Real Estate Development Benchmark (as applicable).

Infrastructure

Sustainable Growth invests in infrastructure investments that:

- are expected to contribute towards the transition to a low carbon economy based on our research and assessment (as generally conducted in accordance with industry-recognised standards and frameworks); or
- are expected to align with goals of the Paris Agreement as evidenced by the existence of a credible net zero emissions target, or commitment to set a credible net zero emissions target, based on our research and assessment (as generally conducted in accordance with industry-recognised standards and frameworks); or
- have achieved, or have a credible target (based on our research and assessment) to achieve, a GRESB* score that is equal to or above the peer group average and/or global average for either the GRESB Infrastructure Fund Benchmark or GRESB Infrastructure Asset Benchmark (as applicable).

It will exclude infrastructure investments in accordance with the fossil fuels screen outlined above in respect to listed Australian shares and overseas shares^. This exclusion may not apply to investments Rest makes in collective investment vehicles (including private funds), where Rest is unable to require and ensure such exclusion is applied by the manager of the vehicle.

Alternatives

Sustainable Growth invests in alternative investments that:

- are expected to contribute towards the transition to a low carbon economy based on our research and assessment (as generally conducted in accordance with industry-recognised standards and frameworks); or
- achieve a relevant industry-recognised third-party sustainability certification.

* GRESB is a globally-recognised ESG benchmark and reporting framework used to assess the sustainability performance of real estate and infrastucture investments.

^In assessing some exclusions or criteria for an investment's inclusion in the Sustainable Growth option, third-party research from Rest's service providers is only available for listed companies or certain industries. Where such third-party research is limited or not available, exclusions or criteria may be assessed by Rest internally (based on industry-recognised standards and frameworks).

Exceptions and limitations

The additional screening – including exclusionary (negative) screens, positive and discretionary screens do not apply to Rest's investments in derivatives and may not apply to investments in certain investment structures or instruments (such as financial products that give the holder exposure to a pool of loans, bonds or other debt products) or collective investment vehicles (including private funds and exchange-traded funds) where Rest is unable to require and ensure such exclusions are applied by the manager of the vehicle.

In respect of Rest's investments in private funds, Rest may have the power to opt out of certain investments which do not comply with the exclusionary (negative) screens or to dispose of its interests in the private fund if the manager of the private fund acquires investments which do not comply with the exclusionary (negative) screens.

We may engage investment managers or use information or methodologies sourced from service providers to help identify investments that are suitable for Sustainable Growth.

Other than in relation to discretionary screens, third party research is generally used when determining and applying exclusionary (negative) screens*. This includes information:

- on a company's revenue which is generally based on total or gross annual revenue, however, in the absence of such, net sales or operating revenue as reported by the company in its financial statements may be used
- used to determine whether a company has materially contributed to an issue or controversy which is assessed based on a range of factors such as:
  - the company's culpability (direct or indirect role and remediation);
  - the nature of the impact (minimal to very serious harm);
  - scale of the impact (low to extremely widespread); and
  - negative media activity.

Rest's ESG analysis, including determining and applying exclusions on investments, may be impacted by limitations in research of third-party data providers. There is an inherent lag in this process as such research undertaken and reporting is backward-looking and there may also be temporary data quality or processing issues (e.g. delays or inaccuracy) that may arise from time to time, and this may result in Sustainable Growth holding investments that do not meet the above criteria for a period of time. Once identified, such investments are typically excluded from the portfolio at the next quarterly review. In addition, circumstances of an existing investment may change that may result in Sustainable Growth holding an investment that becomes subject to an exclusion. For example a company merger or acquisition, that was not previously subject to an investment exclusion. If an existing investment within the Sustainable Growth option is identified as subsequently not meeting the criteria of an applicable exclusionary (negative) screen, Rest will seek to dispose of that investment in the best financial interests of its members having taken into consideration relevant factors such as liquidity, market conditions and investment fund structure.

Rest monitors the listed Australian shares and overseas shares exclusionary screens on a quarterly basis.

* In assessing some exclusions or criteria for an investment's inclusion in the Sustainable Growth option, third-party research from Rest's service providers is only available for listed companies or certain industries. Where such third-party research is limited or not available, exclusions or criteria may be assessed by Rest internally (based on industry-recognised standards and frameworks).

09 Terms explained

Term	Definition
Aim	The goal for the investment option, to be assessed against the *investment return objective*.
Asset allocation	How an investment is spread across the different asset classes.
Asset class	A category of investment, such as shares, fixed interest or property.
Australian shares	Australian shares has the meaning given on page 9.
Benchmark	a) The asset allocation expected to apply to an investment option most (but not all) of the time, as it is the allocation most likely to achieve an investment's long-term objectives. b) A measure, typically an index against which an investment manager's performance is measured, for example, an Australian share manager's performance may be measured against the S&P/ASX 300 Accumulation Index which measures the performance of the top 300 publicly listed companies in Australia.
Buy-sell spread	Is a fee to recover transaction costs incurred by the trustee of the fund in relation to the sale and purchase of assets of the fund.
Consumer Price Index (CPI)	A measure of inflation that compares the cost of living (i.e. goods and services) over time. CPI is calculated and reported by the Australian Bureau of Statistics.
Defensive assets	Assets that are less risky but generally produce lower returns over the long-term such as cash and debt.
Diversification	Spreading your money across different assets, investment options, *investment managers* or localities to help reduce *risk*. In other words, not putting all your eggs in the one basket.
Future transactions	Includes all contributions, rollovers or transfers (but does not include any insurance proceeds) that apply to your account after the effective date of the nomination.
Growth assets	Assets that are more risky but generally produce higher returns over the long-term such as shares.
Inflation	The rise in the prices of goods and services, often measured by the Consumer Price Index (CPI).
Interest	The amount paid in a certain period on money borrowed or invested. Interest is the amount, for example, a dollar, while interest rate is expressed as a percentage.
Investment manager(s)	A person or organisation appointed by the Trustee to invest on behalf of the Trustee.
Investment return objective	The return that the Trustee is aiming to achieve. This is not a guaranteed rate of return.
Net Zero emissions by 2050 target	The aim to have net zero emissions for Scope 1 and 2 emissions and material Scope 3 emissions by 2050.
Overseas shares	Overseas shares has the meaning given on page 9.

Term	Definition
Responsible investment	The consideration of the environmental, social and governance (ESG) factors in investment decisions to better manage *risk*, improve returns and maximise investment opportunities.
Return	The amount that an investment has changed over time (positive or negative), usually expressed as an annual percentage.
Risk	The chance that an investment's actual return will be negative or different from what you expected.
Scope 1 emissions	Direct Green House Gas (GHG) emissions (including carbon dioxide (CO2), methane (CH4), nitrous oxide (N2 O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6) and nitrogen trifluoride (NF3)) that occur from sources owned or controlled by the reporting company, e.g. emissions from combustion in owned or controlled boilers, furnaces, vehicles.
Scope 2 emissions	Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company. Scope 2 emissions physically occur at the facility where the electricity, steam, heating, or cooling is generated.
Scope 3 emissions	All other indirect GHG emissions (not included in Scope 2) that occur in the value chain of the reporting company. Scope 3 can be broken down into upstream emissions and downstream emissions. Upstream emissions include all emissions that occur in the life cycle of a material/product/service up to the point of sale by the producer, such as from the production or extraction of purchased materials. Downstream emissions include all emissions that occur as a consequence of the distribution, storage, use, and end-of-life treatment of the organisation's products or services. As defined by the GHG Protocol **https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf**.
Screen	A filter used to determine the eligibility of an investment for inclusion in an investment portfolio based on certain criteria.
Standard Risk Measure	A guide to the likely number of negative annual returns expected over any 20-year period.
Switch	Moving some or all of your current balance from one investment option to another.
Time horizon	The period of time that you intend to keep your investment.
Unit price	The monetary value of one unit in an investment option.

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