

# Rest Annual Report

1 July 2020 - 30 June 2021



Lisa, Rest member

# Contents

4	Message from the CEO
6	Our members
8	Rest's strategy
10	Sustainable Development Goals
12	Getting out our message with a new campaign
14	Simple and easy member experience
18	Products, services and advice
24	Affordable and flexible insurance
28	Advocates for super
32	People and culture
36	Investment expertise
58	Governance and leadership
73	Financial statements 2020/21
76	Notice to Rest members

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.

Rest Annual Report 2021: Any information contained in this document is general advice and has been prepared without taking 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 and the relevant Product Disclosure Statement (PDS) and the target market determination (TMD), which is available at [rest.com.au](https://rest.com.au), or by contacting us for a copy. The cost of providing financial services is included in the fees as disclosed in the relevant PDS. Rest and the Fund do not charge additional fees or obtain commissions for the advice provided. Rest employees are paid a salary and do not receive commissions. They may receive a performance-related bonus that takes into account the financial services provided. Super Investment Management Pty Limited, a wholly owned company of Rest, manages some of the Fund's investments. Rest has no other relationships or associations with any related body corporate or product issuer that might reasonably be expected to influence Rest in providing financial services. For more information, contact us at [rest.com.au/contact-us](https://rest.com.au/contact-us). Issued by Retail Employees Superannuation Pty Ltd, ABN 39 001 987 739, AFSL 240003, as the Trustee of the Retail Employees Superannuation Trust ('Rest'), ABN 62 653 671 394.



Lisa and Olivia,  
Rest members



# Message from the CEO



**Vicki Doyle**  
Chief Executive Officer

The 2020/21 financial year has come to an end and, in so many ways, it felt like a continuation of the challenges we faced in 2020.

This past year has been incredibly difficult for us all. Many of you spent extended periods in lockdown as we grappled with the spread of COVID-19 in our community. Many of you dealt with uncertainty in your livelihoods. And, of course, many of you felt concerned for the health and wellbeing of your family and friends here and overseas.

It's been a tough time, and we've been able to get through it by sticking together as a community.

Despite the sense of repetition, the financial year had its own distinct features.

I'm very pleased to share some of Rest's highlights with you, including our competitive investment returns, new low-cost sustainable investment option, convenient digital advice tools and faster insurance claim decisions. There have also been government changes that will help you grow your retirement savings.

## Investment returns bounce back

Our most important goal is to help you reach your personal best retirement outcome.

This year provided a stunning reminder of how quickly and by how much investment markets can rebound, and the benefit of staying the course with your investment strategy.

I'm delighted that our default Core Strategy delivered a very competitive return of 17.43 per cent for Rest Super and Rest Corporate members in the past financial year. This ensured that the option continued to exceed its long-term investment objective.

The financial year before last was difficult for investors. The extreme volatility in global markets, largely due to the COVID-19 pandemic, impacted Core Strategy. It's pleasing to see the option bounce back so emphatically in the space of 12 months.

The default Balanced option in Rest Pension also performed well during the year, returning 15.19 per cent.

The strong recovery in Australian and overseas share markets is reflected in this performance – our investments in these asset classes provided the strongest growth in our whole portfolio. Not only were the losses of March 2020 regained, but your investments grew considerably over the year, putting you well ahead.

During the year, we also set a long-term objective to achieve a net zero carbon footprint for the fund by 2050. We outlined a roadmap with six key measures to achieve this. These include reducing the fund's exposure to thermal coal mining, decreasing the carbon intensity of our share portfolio and property assets, and increasing our investment in renewable energy and low-carbon solutions.

Climate change poses a material financial risk to your retirement savings, while also providing opportunities. We set this objective to safeguard your long-term financial interests. This will be our contribution to achieving the goals of the Paris Agreement to keep global temperature increases to well below two degrees Celsius.



## Fair and equitable super

This financial year we launched our new brand campaign, which highlighted how Rest aims to be the super fund that provides a 'Fair Go for All Australians'.

You've told us what matters most to you: low fees, good long-term returns, effective and affordable advice, and simple and easy services. Our campaign showcases our commitment to you on these key points.

Our fees continue to be among the lowest in the superannuation industry.<sup>1</sup> We launched our new ethical investment option, Sustainable Growth, in March, which is one of the lowest-fee ethical investment options available from a super fund.<sup>2</sup>

Meanwhile, our Balanced – Indexed investment option, with 0 per cent investment fees, won a Money magazine Best of the Best Award 2021 for 'Best Value Balanced Super Product'. This is the second consecutive year this option has won a Money magazine award.

The highly rated Rest App is one of the most important ways we help you engage with your super on a regular basis, and this year we completed a major update to make it even more user-friendly. Around half a million of you now use the Rest App to engage with your retirement savings, and this number continues to grow. It has a rating of 4.6 on the App Store, so I highly recommend you download it today.

The uptake of our simple, digital advice tools continued to grow. They were used more than 15,000 times during the financial year, meaning more and more of you are taking steps to make informed decisions about your retirement savings. This is a very encouraging sign.

This financial year, we once again paid an average of more than \$1 million a day in insurance benefit claims to members. Our insurer, TAL Life Ltd, also significantly reduced the average time it took to determine claims. It is now more than 80 per cent faster than the time frames set out in industry standards. For example, Income Protection claims are determined in an average of nine days, compared to the industry standard of 60 days. In times of uncertainty like these, we aim to provide you with whatever certainty we can, as quickly as possible.

You also told us it was important that your fund advocates for a fair and equitable superannuation system.

Rest has been a long-term advocate for improvements that make superannuation fairer for our members.

This past year, the Australian Government announced that it proposed to remove the \$450 per month income threshold for employers paying Superannuation Guarantee contributions from 1 July 2022. We have long called for this because it disadvantages people in lower-income, part-time and casual work, especially women. If the proposal is passed, we will be pleased that more of our members will accrue super on every dollar they earn. We were also pleased to see that the increase in the Superannuation Guarantee has gone ahead as legislated, and we expect that this will continue through to 2025.

We hope these are the first steps of many to improve the superannuation system. We will continue to advocate for changes that will provide better retirement outcomes for you, such as extending Superannuation Guarantee contributions to those on parental leave.

## What's next

For the year ahead, we will focus on our commitments to you: low fees, good long-term returns, effective and affordable advice, and a simple and easy member experience. We will also continue to advocate for improvements to the system.

Hopefully, over the next 12 months, we will see the global community emerge from the pandemic, and some level of normality return to our lives. The opening months of the new financial year were difficult, particularly for those of you in NSW, Victoria and the ACT.

Although this has served as a reminder that the pandemic isn't behind us yet, there are still plenty of grounds for optimism for 2022 and beyond. It's so important we look out for one another as we recover from this crisis. Know that Rest aims to be here to support you in achieving your personal best retirement outcome.

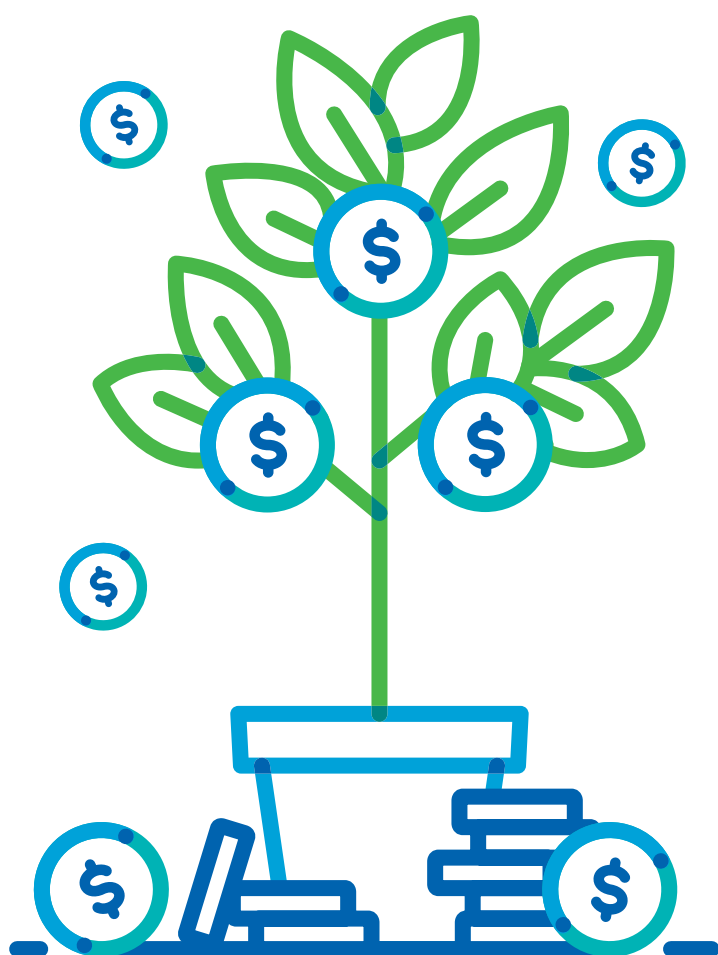
<sup>1</sup> SuperRatings, Superannuation Market Analysis and Research Tool (SMART), September 2021. Rest's Core Strategy investment is compared against the default investment option of all publicly available superannuation products tracked by SuperRatings. Fees are subject to change. Tax, other fees and costs may apply.

<sup>2</sup> Based on a comparison of investment fees for all funds shown in the SuperRatings Sustainable Fund Crediting Rate Survey in June 2021.

Rest financial advice is provided by Rest Advisers as authorised representatives of Link Advice Pty Limited ABN 36 105 811 836 AFSL 258145 (Link Advice). Rest Digital Advice is provided by Link Advice.

App Store is a trademark of Apple Inc.

# Our members



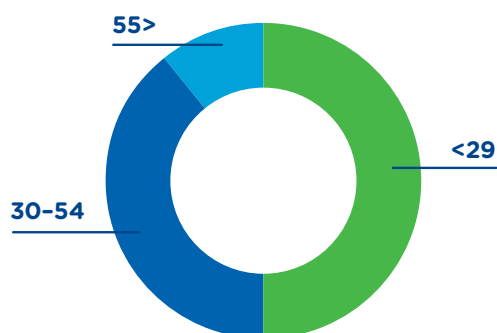
**\$65.8  
billion**

worth of funds  
under management\*



Total number of Rest  
members is more than

**1.81  
million\***



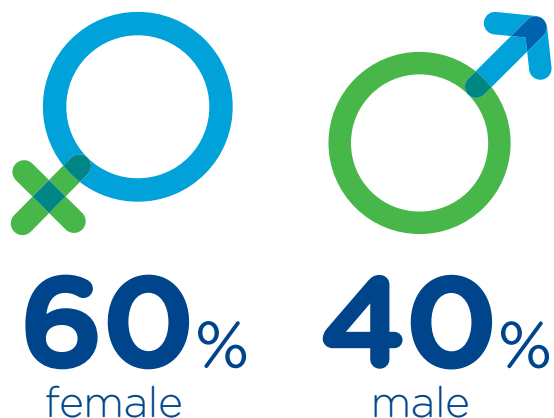
**50%**

of members are  
younger than 30\*

\* All figures as at 30 June 2021.

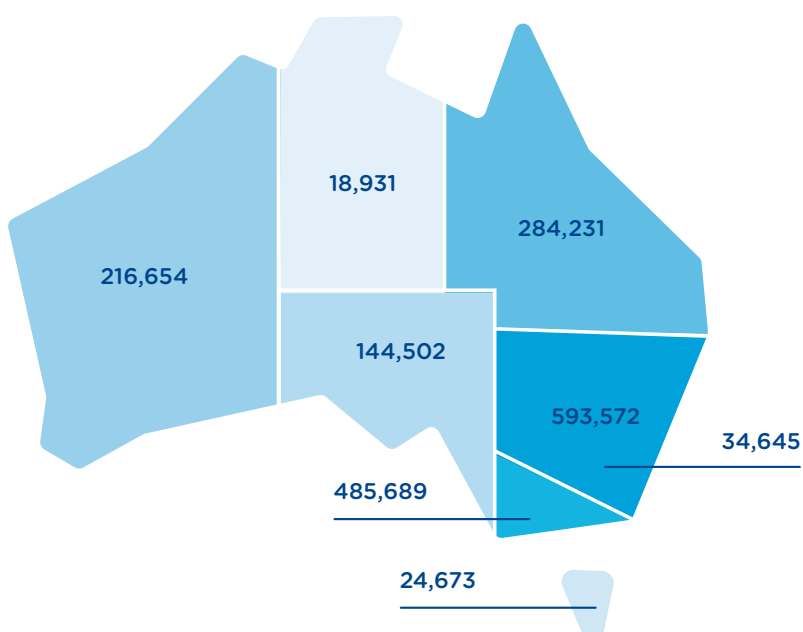


## Member gender split\*



**125,000**  
approx employers use Rest\*

## Members by state\*



This doesn't include members who are located overseas.



**42%**  
of members  
were insured\*

# Rest's strategy

---

## Our ambition

To be recognised  
as the most  
trusted super  
fund in Australia

---

## Our mission

Help members achieve  
their personal best  
retirement outcome

---

## Our proposition





---

## Key priorities

### Investment expertise

Continued to provide investment expertise to grow our members' retirement savings over the long term



### Simple and easy member experience

Carry on investing in technology and data to keep building outstanding customer service for our members



### Products, services and advice

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



### Affordable and flexible insurance

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



### Advocates for super

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



# Sustainable Development Goals

The United Nations has set a global agenda for sustainability. In late 2015, the UN gathered governments from around the world to endorse 17 Sustainable Development Goals (SDGs).

The SDGs are a universal call to action. They are focused on ending poverty and hunger, improving health and education, tackling gender inequality, making cities more sustainable, combating climate change, and protecting oceans and forests.

We have identified where Rest can make the most relevant impact, and prioritised five SDGs to align with as part of our contribution to sustainability.



## Gender equality

- We are working hard to achieve gender diversity, and so far have achieved the following:
  - Rest Board: 44 per cent female; 56 per cent male (targeting at least 33 per cent of each gender)
  - Leadership roles: 46 per cent female; 54 per cent male (targeting 50 per cent of each)
  - All employees: 48 per cent female; 52 per cent male (targeting 50 per cent of each)
- We launched a new gender-neutral parental leave scheme for Rest employees that provides up to 16 weeks of paid leave to eligible staff regardless of gender or carer status (for more information, see page 33)
- We continued to advocate for Superannuation Guarantee payments to be included in the Commonwealth Parental Leave Pay, and Dad and Partner Pay schemes.

All information relates to the year 1 July 2020 to 30 June 2021, or is as at 30 June 2021.





## Affordable and clean energy

- We launched the Sustainable Growth ethical investment option (for more information, see page 19)
- Our Collgar Wind Farm generated nearly 20 per cent of Western Australia's wholesale renewable power in 2020/2021, enough to power 134,000 average homes for a year
- We invested \$927 million in renewable energy infrastructure assets and low-carbon solution assets
- We invested \$1.08 billion in listed companies, which MSCI classifies as 'low-carbon solutions'
- 76 per cent of our property asset class has net zero in operation carbon emission plans.



## Climate action

- We set an objective to achieve a net zero carbon footprint for the fund by 2050, and developed a roadmap and measures to achieve this (for more information, see page 41)



## Decent work and economic growth

- We published our first Modern Slavery Statement after assessing our investment managers for modern slavery risk; and risk assessed our top 50 suppliers with increased inherent risk for modern slavery
- We joined the Investors Against Slavery and Trafficking (IAST) APAC coalition and signed the 'Investor statement on modern slavery, human trafficking and labour exploitation issues'
- We published our Supplier Code of Conduct
- We participated in AIST and ASFA pre-budget submissions to advocate for improvements to the retirement incomes system
- We advocated for the Superannuation Guarantee to increase to 12 per cent within the legislated time frame (for more information, see page 29)
- The wellbeing score of our people was 86 per cent (for more information, see page 34).



## Reduced inequalities

- We advocated to remove the \$450 monthly income threshold for payment of the Superannuation Guarantee (for more information, see page 29)
- Everyone in a leadership role at Rest undertook a face-to-face training course on unconscious bias to enable greater gender and diversity inclusion in the workplace
- We implemented a Vulnerable Consumers Policy in line with our commitments under the Insurance in Superannuation Voluntary Code of Practice (for more information, see page 27).

# Getting out our message with a new campaign

We ran an advertising campaign this year to boost the visibility of our brand and highlight that we are a profit-to-member super fund. We also wanted to increase awareness of the key value we offer to members, as well as capture the essence of what fair and equitable super looks like.

Our campaign told a story of inclusivity and equality, and featured Rest members from a diverse range of ages, genders, occupations, cultures, financial backgrounds and life experiences.

## Low fees and good long-term returns

Before developing the new campaign, Rest conducted research to identify the offerings that members value most. It was crucial that we listened to them. We heard that members want low fees, good long-term returns, effective and affordable advice, and a simple and easy member experience. Members also felt it was important to be with a fund that advocates for fair and equitable superannuation.

However, the research also showed that many members were still not aware of Rest's low fees and the simple advice we offer at no extra charge.<sup>1</sup>

## Keeping it simple

The research revealed that some members found super to be complex and confusing, so we aimed to make our messages easy to understand.

In a series of ads beginning with 'Rest Presents', we used simple analogies to show what should be happening with super. For example, 'Rest Presents: Help on tap', highlighted our belief that 'super advice is like water – it should be available on tap'. We wanted to position Rest as an active advocate and coach that helps members grow their super, no matter their income, job, age or background.

## The importance of fair super

We also thought it would be fantastic to work with some of our members to help communicate the importance of fairness in super to other Rest members and all Australians. We created a series of taglines and posters around what 'Fair is', capturing other benefits of being a Rest member, including our responsible investing policy and advocacy for fair super for all Australians.

### Fair is ...

- Simple advice at no extra cost
- Fees up to 25 per cent lower than the super industry average<sup>2</sup>
- Helping every Aussie get ahead in super
- A sustainable super option that doesn't cost the planet.

<sup>1</sup> Rest Advice may be accessed by members without incurring additional fees for simple advice. An advice fee may be payable for complex advice. You should read the Rest Advice Financial Services Guide, which you can obtain by calling us on 1300 300 778, before accessing these services.

<sup>2</sup> SuperRatings, Superannuation Market Analysis and Research Tool (SMART), September 2021. Rest's Core Strategy investment is compared against the default investment option of all publicly available superannuation products tracked by SuperRatings. Fees are subject to change. Tax, other fees and costs may apply.



**Fair is helping  
every Aussie get  
ahead in super**

Jenny, Rest member



Profit-to-member Super **Rest**

Product issued by Rest. Check if it is right for you. Visit REST at rest.com.au before deciding to join.



# 01

Simple and  
easy member  
experience



Javier,  
Rest member



# Customer service



**196,000**

online  
Live Chat sessions<sup>†</sup>

about **530** per day

---



**268,000**

questions answered  
by Roger<sup>†</sup>

about **730** per day

---



**115,000**

in-app messages  
from members<sup>†</sup>

about **300** per day

---



**387,391**

phone calls

about **1,050** per day

<sup>†</sup> All figures are for 1 July 2020 to 30 June 2021.

# The Rest App



# 500,000

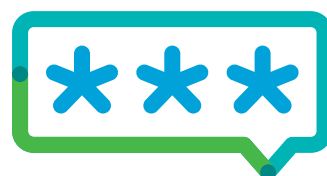
members are registered on the Rest App\*  
Nearly **162,000** new registrations during the year†



About  
**440**  
new users  
registered  
per day



The Rest App was  
used around  
**20,000**  
times per day



**78%**  
of registered  
members logged  
into the app†

About **183,000** active users log in an average  
of **3.3** times per month†



## 4.6

average user rating  
on the App Store\*



## 4.0

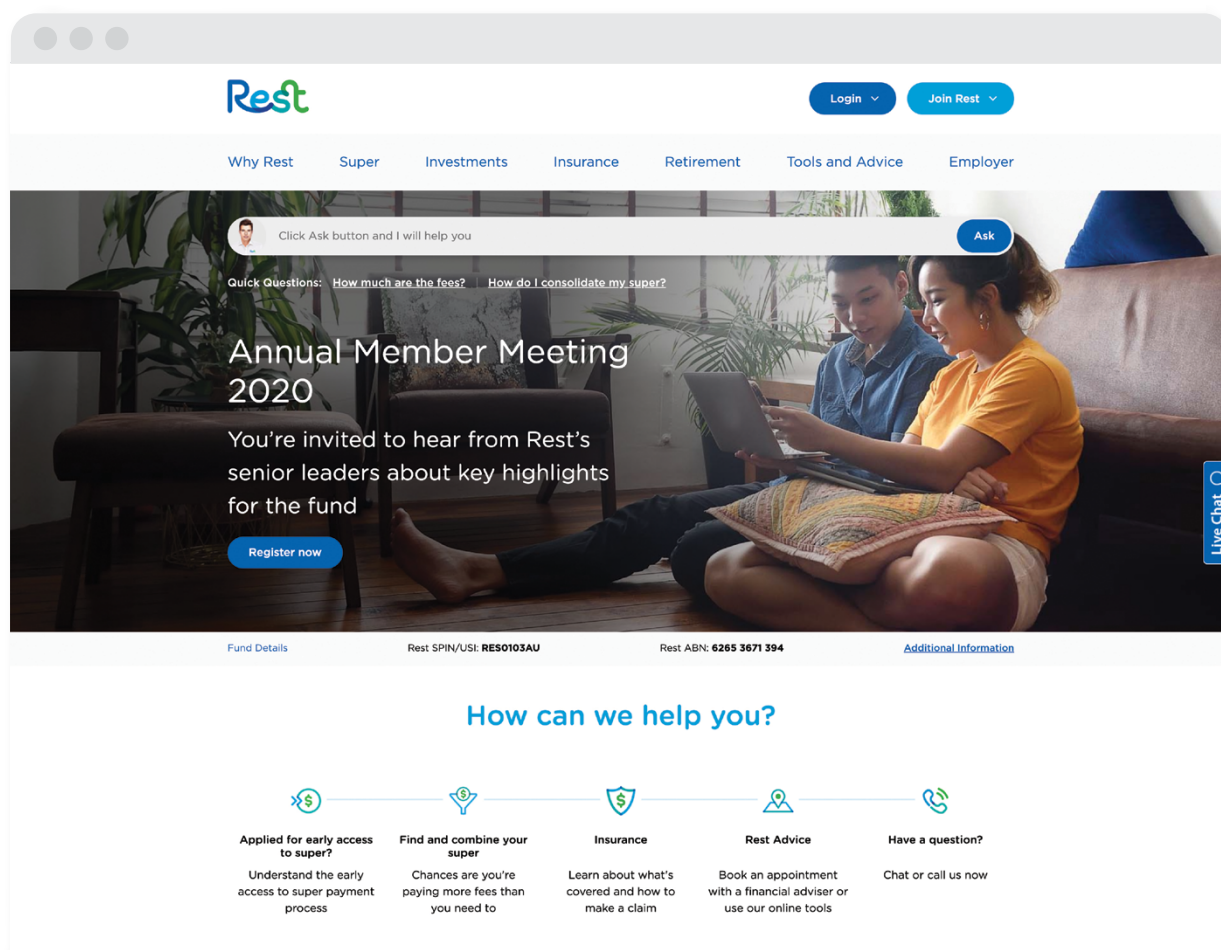
average user rating  
on Google Play\*

\* As at 30 June 2021.

† From 1 July 2020 to 30 June 2021.

App Store is a trademark of Apple Inc. Google Play™ store is a trademark of Google LLC.

# Rest's website



**23,600,000**  
unique pageviews of the Rest website<sup>†</sup>

**65,000**  
unique  
pageviews  
per day



**320,500**  
PDF documents and  
forms downloaded<sup>†</sup>

**27,000**  
PDF  
downloads  
per month

# 02

Products,  
services  
and advice



Kim,  
Rest member



# Introducing Sustainable Growth

In March this year, Rest launched Sustainable Growth, one of the lowest-fee ethical investment options on the market.<sup>1</sup>

Sustainable Growth offers a diversified portfolio of assets with enhanced environmental, social and governance (ESG) investment characteristics. Through this option, we aim to not only grow your super over the long term, but also to help protect your future.

With total estimated investment costs of 0.36 per cent per annum, Sustainable Growth is one of the lowest-fee ethical options available in the market. Sustainable Growth's fees are up to 48 per cent lower compared to the average ethical super option.<sup>2</sup>

During the financial year, this option was geared toward growth, with between 70 and 85 per cent of the option invested in growth assets. It invests in a range of Australian and overseas shares, property, infrastructure, debt and cash assets.

Giving our members a diverse range of investment options while continuing to deliver low fees remains a top priority for Rest – and something we are proud to offer.

Our members first indicated they would like an ethical option in the 2019 responsible investment survey of more than 2,000 members. In a first for the fund, we began developing this ethical option after further surveying nearly 650,000 members in December 2020.

Your voices had a crucial role in developing and naming this investment option portfolio, as well as the types of assets that would be included and excluded.

By speaking to you first, we gauged the importance of making an ethical option available. The survey results showed there was great demand, with more than three-quarters of respondents expressing a moderate to strong interest.

The survey asked you about the key types of assets you would prefer to be included and excluded. We considered many of these preferences when building the option, using this framework to help determine the assessment criteria for viable investments.

Within the option's share holdings, we have excluded any listed companies that are involved in labour or human rights abuses, unethical supply chains, fossil fuels, animal cruelty, gender discrimination, tobacco, gambling, palm oil or controversial weaponry, and those that have a recent track record of environmental damage or excessive executive remuneration.

The portfolio has then been positively tilted to companies that are demonstrated leaders; promote environmental sustainability and resource efficiency, equitable societies and respect for human rights; and show accountable governance and transparency.

The option will invest in property assets that have demonstrated a Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment<sup>3</sup> score of at least average or above.

It will also invest in infrastructure assets that have integrated ESG factors and have been identified as able to help the transition to a lower-carbon economy<sup>4</sup>, or have limited exposure to climate-related transition risks. The criteria for the option's infrastructure assets also excludes investing in companies that own fossil fuel reserves; derive revenue from oil or gas exploration, production and related activities; have power generated from thermal coal, oil or gas; or lease, mine or process coal and coke.

## We avoid investing in companies linked to:

- Fossil fuels
- Environmental damage
- Palm oil
- Animal cruelty
- Unethical supply chain practices
- Workplace and gender discrimination
- Excessive executive remuneration
- Gambling
- Tobacco
- Controversial weapons.

## We look for players linked to:

- Renewables and low-carbon assets
- Green buildings
- Sustainable infrastructure
- Environmental sustainability and resource efficiency
- Equitable societies and respect for human rights
- Accountable governance and transparency.

<sup>1</sup> Based on a comparison of investment fees for all funds shown in the SuperRatings Sustainable Survey fee comparison as at 30 June 2021.

<sup>2</sup> SuperRatings Sustainable Survey fee comparison as at 30 June 2021. Fees are for a \$50,000 member account balance, including fixed-dollar and percentage-based administration fees, investment fees and indirect cost ratios. All fees used in this comparison are from the funds' publicly available Product Disclosure Statements. Contribution fees, entry fees, exit fees, additional adviser fees or any other fees are excluded from this comparison.

<sup>3</sup> The GRESB Real Estate Assessment, a global ESG benchmark and reporting framework for investments in real estate. Where this is not applicable, property investments are required to achieve a high environmental rating from a recognised green building rating tool administered by a World Green Building Council member.

<sup>4</sup> As guided by the MSCI Low Carbon Transition Category or other relevant industry standards.

# Advice and education



**10,750**

Statements of Advice  
were provided by  
our digital tools

Investment Choice Solution **4,431**

Insurance Needs Analyser **5,573**

Contributions Optimiser **746**

**21%** year-on-year growth



Rest members used our  
Digital Advice tools

**15,358**  
times



**97%**

customer satisfaction  
score for advice over  
the phone



Rest members had

**19,793**  
interactions with  
Rest Advice

**2,959**

Statements of Advice  
were provided over  
the phone



All figures are from 1 July 2020 to 30 June 2021.

Rest financial advice is provided by Rest Advisers as authorised representatives of Link Advice Pty Limited, ABN 36 105 811 836, AFSL 258145 (Link Advice).  
Rest Digital Advice is provided by Link Advice.



1,744

digital Retirement  
Health Checks were  
completed



2,864

digital Super Health  
Checks were completed



Rest held

401

education seminars across Australia  
and **216** digital education sessions

- **NSW:** Port Macquarie, Tamworth, Liverpool, Wyong, Bathurst
- **Vic:** Shepparton, Chadstone, Epping, Hawthorn, Nunawading
- **Qld:** Cairns, Maroochydore, Indooroopilly, Kallangur, Hervey Bay
- **WA:** Greenwood, Mandurah, Bunbury, Landsdale, Wanneroo
- **SA:** West Lakes, Flagstaff Hill, Elizabeth, Mt Barker, Port Lincoln
- **NT:** Holtze, Fannie Bay, Alice Springs



More than

7,000

people attended the  
seminars or logged into  
the digital sessions



92%

customer satisfaction  
score for the seminars

# Another win for Balanced – Indexed

Rest's Balanced – Indexed investment option was recognised for its outstanding value, winning *Money* magazine's prestigious Best of the Best award for 'Best Value Balanced Super Product 2021'.

This was the second year running Balanced – Indexed won a Best of the Best award. Last year, it won *Money* magazine's 'Cheapest Balanced Product 2020 (\$20,000 Balance)'.

Balanced – Indexed was launched in late 2018 and is one of Rest's three indexed investment options. It is designed to follow a combination of Australian shares, overseas shares, debt and cash indices.

The option has 0 per cent per annum investment management fees, performance-related fees and indirect costs.<sup>1</sup>

We are committed to helping our members achieve their personal best retirement by providing strong long-term returns, flexible options and low fees. To win two consecutive Best of the Best awards is testament to the value and flexibility we offer our members.

Our range of indexed investment choices are designed for members looking for a low-fee option. This allows you to select an option that best suits your needs.

Rest also has two other indexed options with 0 per cent per annum investment management fees:  
Australian Shares – Indexed and Overseas Shares – Indexed.<sup>1</sup>

For more information about our investment options, go to Rest's website at [rest.com.au/indexed-investment-options](https://rest.com.au/indexed-investment-options) or speak to a Rest Adviser to discuss your investment options.



<sup>1</sup> Rest's administration fee of \$1.50 per week and an asset-based fee of 0.12 per cent of a member's account balance per annum still applies. The asset-based fee is capped at \$300 per annum. A buy spread still applies. Members with insurance will pay premiums.

# Early release of super

With the COVID-19 pandemic causing severe disruption to the economy and employment, the Australian Government allowed eligible members in financial difficulty to apply for an early access payment from their super account in 2020.



Members were able to apply for two payments of up to

# \$10,000

each from their super (they could apply from 20 April to 30 June and again from 1 July to 31 December 2020).



# \$3.3 billion

was paid to members from 20 April to 31 December, with an average payment of **\$7,170**

**\$1.5 billion** was paid from 1 July to 31 December, with an average payment of **\$7,150**



# 336,000

Rest members applied for an early release payment



More than

# 97%

of applications were processed within five business days

# 200,000

members applied from 1 July to 31 December

Around

# 127,000

members applied for two payments, withdrawing an average of **\$15,910**

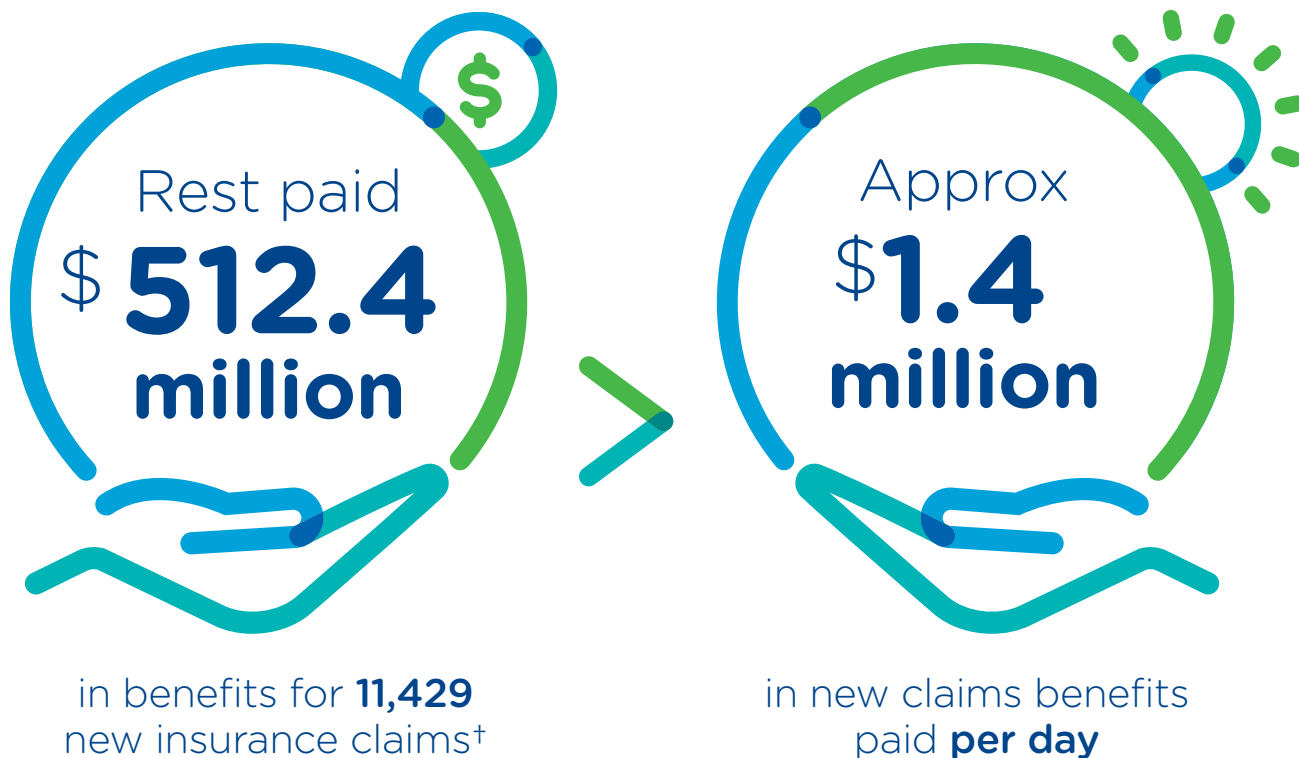


# 03

Affordable  
and flexible  
insurance

Kim,  
Rest member






**9,636**

**Income Protection claims**

**\$199 million** in benefits



**798**

**Death and Terminal Illness claims<sup>†</sup>**

**\$206 million** in benefits



**995**

**Total and Permanent Disability claims<sup>†</sup>**

**\$107 million** in benefits

These figures include benefits from both new Income Protection claims and ongoing Income Protection claims admitted from previous years.

<sup>†</sup> All figures are for 1 July 2020 to 30 June 2021.

## Claims determination times

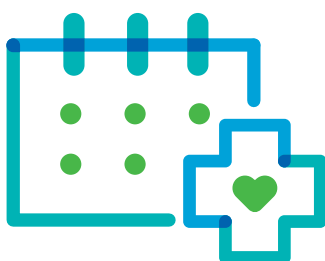
This year our insurer, TAL Life Ltd, reduced the average time taken to determine an insurance claim. Claims are now determined, on average, more than 80 per cent faster than the time frames set out in industry standards.



**9**  
days

**Income Protection  
claims<sup>†</sup>**

Industry standard: **60 days**



**3**  
days

**Death and Terminal  
Illness claims<sup>†</sup>**

Industry standard: **180 days**



**35**  
days

**Total and Permanent  
Disability claims<sup>†</sup>**

Industry standard: **180 days**

Industry standard timelines are set out in the Financial Service Council's Life Insurance Code of Practice.

<sup>†</sup> All figures are for 1 July 2020 to 30 June 2021.

## Vulnerable Consumers Policy

Everyone deserves to achieve their personal best retirement outcome, and Rest recognises that our members differ for a range of reasons, such as gender, age, education, culture, race, literacy, socioeconomic status, and mental and physical health. This should not prevent a member from being able to access or manage their retirement savings or insurance coverage.

The experience of being a vulnerable member can be permanent or temporary. It can happen at any time, and some people may feel shame or embarrassment about being in a vulnerable situation. Vulnerable members could be in a fragile or stressed state and therefore less able to navigate complex processes or paperwork.

Rest has produced a Vulnerable Consumers Policy to guide how we support our members when they are vulnerable.

We support these members to alleviate the stress and anxiety they may feel. Our program provides a range of options and additional support services to make managing their account with Rest a less stressful experience.

Vulnerable members may require additional support when interacting with Rest or our third-party providers. We always treat our vulnerable members with respect and in an inclusive and empathetic manner.

Our Vulnerable Consumers Policy includes guidance on how to identify a member who may be considered a vulnerable member, and how to articulate a consistent approach to support them. It also outlines the support and tools available to Rest's employees and service providers, so they are aware of the options available to help our members when they need it most.



Rest has produced a Vulnerable Consumers Policy to guide how we support our members when they are vulnerable.



# 04

Advocates  
for super



Michelle,  
Rest member



# Adapting for the future

Rest is a committed advocate for Australia's superannuation system. We believe that the system has worked well in its first 29 years and generally continues to do so.

The compulsory Superannuation Guarantee has provided a much-needed source of retirement funding. As a significant number of Australians reach retirement, many will have access to close to 30 years of Superannuation Guarantee payments. This will make a big difference to the lives of so many of them.

However, as we near the 30th anniversary of the Superannuation Guarantee, it is clear the system must adapt to the emerging economic and demographic trends in Australia, or risk entrenching inequality.

These include the increase in part-time and casual work as the 'gig' economy grows; rising debt levels; and persistent barriers that prevent people, particularly women and those on lower incomes, from achieving economic security. These factors are exacerbating inequality among people in the retirement income system.

We are committed to working with the industry and government to ensure the super system is always working well for our members and all Australians.

Rest has long advocated for a number of improvements to the system that would lead to more equitable retirement outcomes for members, including:

- Retaining the legislated increase in the Superannuation Guarantee to 12 per cent from 2021 to 2025
- Removing the \$450 monthly income threshold for paying Superannuation Guarantee contributions
- Introducing measures to address the disadvantage created by periods of unpaid work, including extending the Superannuation Guarantee to those who take parental leave
- Improving access to affordable, targeted, simple advice and education by making it easier for superannuation funds to make it available.

## Progress this year

There was welcome progress on two of these recommendations in the past year, which Rest believes will improve retirement outcomes for many of our members – particularly women, and those in lower-income, part-time and casual jobs.

In the 2021 Federal Budget, the Australian Government announced that the \$450 monthly income threshold for Superannuation Guarantee contributions will be removed.

In addition to our own advocacy, Rest contributed to the Pre-Budget Submissions developed by the Australian Superannuation Funds Association (ASFA) and the Australian Institute of Superannuation Trustees (AIST), which both recommended removing this measure.

At the time of publication, employers do not have to pay Superannuation Guarantee contributions to employees who earn less than \$450 per month.

While this measure has not yet been legislated, the Government has proposed removing this measure from 1 July 2022.

The \$450 monthly income threshold has disadvantaged hundreds of thousands of Australians working in lower-income jobs, especially those working multiple jobs. Currently, workers could earn more than \$450 each month in aggregate from multiple jobs, but not receive any superannuation contributions because each job pays less than \$450 per month.

This change will mean more Australians will earn superannuation on every dollar they earn. ASFA estimated that up to 350,000 people – 220,000 of whom are women – would benefit.<sup>1</sup>

Rest was also pleased that the legislated increase to the Superannuation Guarantee was not amended or deferred.

There was an extensive public debate about whether this increase should go ahead, but Rest advocated that it should.

We believe it will have a positive impact on the retirement savings of Australians, and particularly those who accessed the COVID-19 Early Release Scheme, by helping to replenish their account balances.

The first phase of the increase started on 1 July 2021, and the Superannuation Guarantee rate rose from 9.5 per cent to 10 per cent. Under the legislated schedule, it will continue to increase each year until it reaches 12 per cent on 1 July 2025.

We will continue to advocate that this increase goes ahead according to the schedule.

While these were welcome changes, there is still more work needed to create a more equitable system. We will continue to strongly encourage the Government to implement our other recommendations.

<sup>1</sup> Pre-Budget Submission for 2018-19, Association of Superannuation Funds of Australia, February 2018.

## Your Future, Your Super

The *Treasury Laws Amendment (Your Future, Your Super) Act 2021* was announced in October 2020 and passed on 17 June 2021.

The legislation is designed to help reduce unintended multiple super accounts, provide people with more information to help choose a super fund, address underperformance among super funds, and increase transparency and accountability.

The legislation implements recommendations from the Productivity Commission review into superannuation and the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

**It included four key measures.**



## 01

### Your super stays with you – ‘Stapling’

From 1 November 2021, members will keep their existing super accounts when they change jobs, unless they want to nominate a different account.

When an employee starts a new job, their new employer must give them a choice of fund form, with which they can nominate a super fund. If the employee doesn't nominate a fund, then the employer will be required to search for their existing super account in the ATO database and pay contributions into it. If the employee doesn't have an existing account, the employer's default fund will be used.

This measure is designed to minimise the number of unintended multiple accounts in the system and therefore reduce the amount of fees and insurance premiums Australians are paying on these unintended accounts.

## 02

### A new tool to help choose a fund

The Government has launched an online 'YourSuper' comparison tool designed to provide simple and clear information to help members choose the super product that meets their needs.

Members can access the YourSuper tool via their MyGov account. It provides members with a table of simple super products, called 'MySuper' products, ranked by fees and investment returns. The tool will also provide links to join these products.

Rest's MySuper products are our default Rest Super and Rest Corporate products invested in Core Strategy.

It will also show all of an individual's current super accounts, and prompt them to consider consolidating accounts if they have more than one.

## 03

### Addressing underperformance through a new annual performance test

All super funds that offer a MySuper product must now meet an annual performance test administered by the Australian Prudential Regulation Authority (APRA).

Each fund's investment performance (net of tax, administration and investment fees) is assessed against a benchmark based on its asset allocation (also net of tax and fees). Funds that underperform against this benchmark return by 0.50 percentage points or more will fail the test.

If a fund fails the test, it must tell its members by mail, as well as electronically, and refer members to the YourSuper comparison tool. Any fund that fails the test two years in a row will be prevented from taking on new members until it passes the test.

Rest passed the first APRA performance test of the seven-year investment returns to 30 June 2021 for our MySuper products. Future tests will assess our eight-year investment returns relative to the benchmark. From 2022, the performance test will also be applied to some Choice products.

Rest was pleased to see some of the improvements we advocated for were included in the final legislation and regulations. For example, the test now factors in the impact of administration fees in addition to investment fees. This will provide a much truer indication of a fund's performance. There were also additional improvements to the way the benchmark is set for different asset classes.

## 04

### Increasing transparency and accountability – new disclosure of costs and expenses

The Government has strengthened obligations to ensure super fund actions are only undertaken in the best financial interests of members. Super funds will also have to provide additional information about their operations and activities ahead of their Annual Member Meeting, which will be effective as of the 2022 financial year.

#### Regulatory changes for the year

During the past financial year, Rest implemented or prepared for the new requirements in the following legislative or regulatory changes:

- *Modern Slavery Act 2018*
- APRA Prudential Standard SPS515 – Strategic Planning and Member Outcomes (first publication of Member Outcomes Assessment)
- APRA Prudential Standard CPS 234 – Information Security (provisions for third-party vendor arrangements)
- Financial Advisor Training Standards
- *Payment Times Reporting Act 2020*

# 05

## People and culture

Olivia,  
Rest member





# One of Australia's best places to work

Rest is extremely proud to have been recognised as one of the **AFR BOSS Magazine Best Places to Work for 2021**.

We ranked seventh among other employers in the Banking, Superannuation and Finance category – making us the highest ranked super fund on the list. This prestigious annual ranking celebrates companies that have created agile and productive workplaces. Our success recognises how hard everyone at Rest worked in the face of unprecedented challenges due to the ongoing COVID-19 pandemic.

The award also recognises Rest as a high-performing organisation in an industry that has experienced so much volatility and change due to shifting regulatory and government policy settings. This includes our people responding to high call volumes while maintaining high member satisfaction levels. In particular, we helped hundreds of thousands of members looking for financial support through the COVID-19 Early Release Scheme.

We know that our people benefit from being able to balance their work and home lives. So, even before the pandemic, Rest supported flexible work practices through our New Ways of Working program. This program focuses on providing and encouraging technological, cultural and physical changes to the office environment.

This meant we could pivot quickly and transition the entire workforce across Australia and overseas to working from home with minimal disruption when the pandemic occurred.

Our people's combined efforts are what give Rest members outstanding experiences.

## Promoting equality with paid parental leave

Rest continues to work to promote gender equality. During the year, Rest implemented one of the leading gender-neutral paid parental leave schemes in Australia.<sup>1</sup>

We increased paid parental leave from 14 weeks to 16 weeks and made it available to all eligible employees – irrespective of their gender, marital status or orientation, or whether they are the primary or secondary carer.

Features of this leave gives our people complete flexibility in how and when they take parental leave. For example, they can take 16 consecutive paid weeks; separate tranches, such as two eight-week periods; or 32 weeks at half pay. Alternatively, they can work under a flexible part-time arrangement for up to 40 weeks.

In the past, pregnant employees could take up to 15 hours of pre-natal leave for commitments like medical appointments. This has been extended to up to five days and is now gender-neutral, so employees can support their partners at appointments.

Importantly, we will continue to pay Superannuation Guarantee contributions during both paid and unpaid parental leave. Paying super contributions during parental leave is an important measure to minimise gender inequality in retirement incomes.

Fostering an environment that values diversity, inclusion, flexibility and participation leads to teams with a variety of skills, knowledge and experiences, and continuously strengthens the foundations for performance and decision making.

In the 2020/21 financial year, seven female and four male employees took parental leave.

<sup>1</sup> According to the Workplace Gender Equality Agency Data Explorer, the average parental leave provided by Australian businesses in 2019/20 was 10.9 weeks for primary carers, and two weeks for secondary carers. In financial services, banking and insurance, the average was 12.2 weeks for primary carers and 2.6 weeks for secondary carers. With this new policy, Rest is among the few major employers in Australia to offer 16 weeks or more to all eligible employees regardless of gender or care status.





## Looking after our people

To support our people during the ongoing lockdowns, we prioritised resources around supporting their mental and physical health – with a key focus on normalising mental health conversations.

In May 2021, we introduced a suite of wellbeing initiatives during Wellbeing Week, to reconnect staff as part of our commitment to the health and wellbeing of our people.

We organised a range of activities, paying special attention to hybrid work – the new reality of working remotely and in the office. The activities encouraged our people to reconnect with colleagues in the office. We also gave them information about available resources and how to look after their physical and mental health during the pandemic.

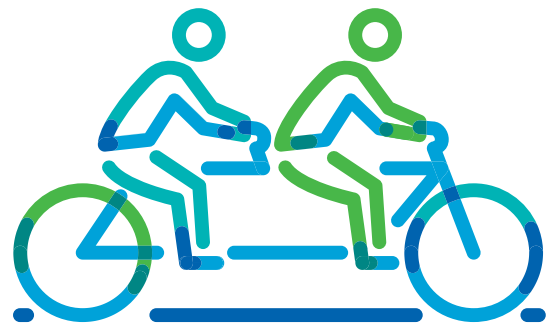
AccessEAP, an employee assistance program provider, hosted a session to raise awareness about the free and confidential services available to our people and their families to support wellbeing.

We held sessions on how food can affect mood and to give tips on setting up an ergonomic workstation at home. AIA Vitality and Virgin Active offered fitness assessments to help our people understand their level of fitness and get active.

Throughout the course of the year, we observed a number of other important occasions aimed at improving wellbeing and equality, including International Women's Day and R U OK? Day.

Rest's focus on improving engagement continues, with key organisation-wide learning programs underway, a reinvigorated approach to employee listening and feedback, and flexibility embedded as a core tenet of our people proposition.

Our workforce profile			
	2018/19	2019/20	2020/21
Total employees	247	301	371
Total new employees	113	86	88
Total females	107	140	178
Total males	140	161	193



86%

The wellbeing score  
for our employees

# 06

## Investments expertise



Jeffrey,  
Rest member



# Robust performance delivers competitive returns

Rest delivered competitive results for members in the 2020/21 financial year. Our default Core Strategy option returned 17.43 per cent for Rest Super and Rest Corporate members.

Meanwhile, our High Growth option returned 23.17 per cent, and our award-winning Balanced – Indexed option returned 19.98 per cent.

For Pension members, the default Balanced option also performed well, returning 15.19 per cent.

Our investments in overseas and Australian shares continued to provide the highest returns in the portfolio. All our member tailored options invested solely in shares provided a return in excess of 25 per cent for the year. Our Shares option, invested in a mix of Australian and overseas shares, returned 27.62 per cent for our Rest Super and Rest Corporate members, and 30.70 per cent for Rest Pension members.

## The year in review

It's no surprise that COVID-19 had the greatest influence on global markets in 2020/21. The pandemic plunged the world economy into one of its fastest and worst recessions ever. But by the end of the financial year, the global economy was set to post its fastest recovery in more than 80 years.<sup>1</sup>

The rebound in markets was unlike any other. And because we used our cash on hand to buy assets at lower prices when the markets were down, we generated strong returns during the rebound. This was particularly lucrative for our share portfolios.

Throughout the year, we appointed new equities investment managers and increased our exposure to Australian and overseas shares, while reducing the proportion of assets invested in cash and property. We also rationalised the number of investment managers in our portfolio to maximise our scale and keep fees low.

Rest's investments in unlisted assets in the property, agriculture and infrastructure sectors also produced solid returns during the year, while our bond holdings helped stabilise the portfolio when markets were volatile. The ultra-low global interest environment meant our cash investments contributed minimally.

## Share markets' strong recovery

Share markets tend to do very well in the year following a recession, and 2020/21 was no exception. Led by US markets, global stocks rallied to record highs in the June quarter – again outperforming bonds.

Global share markets as measured by the MSCI World ex Australia Index (in local dollars) closed the June quarter up 8 per cent, and up an impressive 37 per cent for the financial year. Compared to their worst levels in March 2020, global stocks were up roughly 90 per cent by 30 June 2021.

For the year to 30 June 2021, Australia's All Ordinaries index rose 26 per cent, its biggest financial year gain in 34 years. The ASX 200 index rose 24 per cent, its biggest rise since inception in 1992.

## Macro-economic factors

In response to the forced shut down of economies, policy makers enacted some of the largest stimulus measures seen outside of war time across the globe. These included fiscal stimulus to support wages, liquidity to ensure stability in financial markets and record low interest rates to stimulate credit growth and demand.

These measures provided a strong launching pad as major economies reopened. Financial markets rebounded, particularly in equity markets, as they priced in a strong earnings recovery.

Australia fared relatively well thanks to its geographic isolation and job-keeper and job-seeker stimulus packages. The Reserve Bank also dropped interest rates to the lowest on record helping to underpin the recovery.

## Importance of long-term focus

As impressive as our recent returns have been, super is a long-term investment strategy to achieve your retirement goals – and our Core Strategy supports this. Over the 10 years to 30 June 2021, it has returned 8.41 per cent per annum.

This is well above its investment objective to return the Consumer Price Index plus 3 per cent per year over the long term (rolling 10-year periods). For members, this means retirement savings have been growing at a much faster pace than rises in the cost of living. The 10-year performance also puts our Core Strategy ahead of SuperRatings' median fund.<sup>2</sup>

As a profit-to-member fund, we will always focus on delivering strong long-term results. Since it commenced in July 1988, Core Strategy has delivered an average return of 8.59 per cent per annum.

As the graph on the following page demonstrates, if a member invested \$50,000 in our Core Strategy in 2002, their balance would now be close to \$30,000 higher (or 15 per cent) than if they had put their money in the median balanced super fund.

<sup>1</sup> 'The Global Economy: on Track for Strong but Uneven Growth as COVID-19 Still Weighs', The World Bank, 8 June 2021.

<sup>2</sup> SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index as at 30 June 2021.

Past performance is not an indicator of future performance.

## Looking ahead

Recent economic data suggests the global recovery is progressing well. But COVID-19 variants and unequal access to vaccines suggest a long and complex process to reopen the global economy post-pandemic. There is no better example of this than the onset of the Delta strain of COVID-19 in Australia, which saw a resurgence of infections and more than half the population spending time in lockdown. Just how severely this will impact the economy, and how quickly it will recover, remains uncertain.

Furthermore, the strong rebound in many economies has led to a pick-up in inflation for the first time in many years. While central banks see near-term price pressures as transitory, any reversal of policy measures and higher interest rates could affect global markets.

We are largely positive about growth prospects for the global economy, but note that market valuations are underpinned by record low interest rates and policy stimulus. We are also mindful of geopolitical changes and the impact of climate change on policy, economic outcomes and asset prices.

## Spotlight on private equity

Rest invests in private equity, buying into unlisted companies to take advantage of opportunities that are typically unavailable to individual investors.

Our private equity portfolio is dynamic, investing in a number of companies that are unique in the way they operate, or what they offer or bring to their industry.

For example, we recently invested in The Plastic Surgery Center, which owns The Institute for Advanced Reconstruction in New Jersey in the US. The Institute uses cutting-edge technology to provide life-altering reconstructive plastic surgery to help patients with debilitating conditions.

## Rest Super Core Strategy performance

# 17.43%

annual return for 2021

## 8.41%

10-year  
return pa

Median return:  
**8.28% pa<sup>1</sup>**

## 7.70%

20-year  
return pa

Median return:  
**6.92% pa<sup>1</sup>**

# 8.59%

pa return since inception on 1 July 1988

## Rest Pension Balanced performance

# 15.19%

annual return for 2021

## 7.88%

10-year  
return pa

Median return:  
**7.73% pa<sup>2</sup>**

## 7.78%

pa return since  
inception on  
13 September  
2002

As at 30 June 2021.

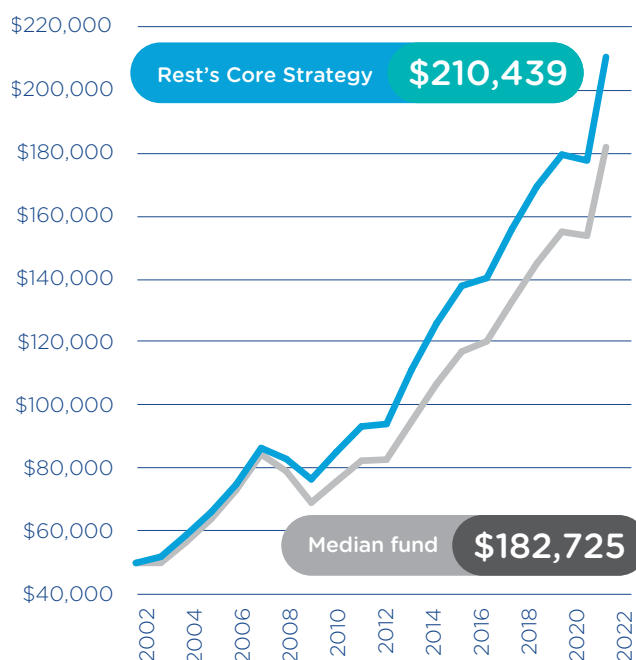
<sup>1</sup> SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index as at 30 June 2021.

<sup>2</sup> SuperRatings Pension Fund Crediting Rate Survey – SRP25 Conservative Balanced (41-59) Index as at 30 June 2021.

Past performance is not an indicator of future performance.



## Long-term Core Strategy performance



This graph shows the difference that stronger returns can make to 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 2021, 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 Rate Survey – SR50 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](https://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.

## Core Strategy's performance versus its objective



This graph shows the actual rolling 10-year returns of Rest Super's Core Strategy option compared to its investment return objective. Core Strategy's investment objective is to return the Consumer Price Index (CPI) plus 3 per cent per year over rolling 10-year periods. Actual returns are net of tax and fees.

Rolling period returns are the annualised average as at 30 June of the nominated year. For example, a 10-year rolling return to 30 June 2021 will be an annualised average of the yearly return for the years ending 30 June 2011 to 30 June 2021.



# Responsible investment

As a long-term global investor, we believe that responsible investment adds value. It can help our members achieve their personal best retirement income, while also contributing to a more sustainable future.

Responsible investment involves a consideration of environmental, social and governance (ESG) factors in the investment process. It helps us manage risk, maximise investment opportunities and improve returns.

Part of this process involves identifying the ESG factors that are most likely to influence your returns. This helps us take important steps towards protecting the long-term value of your super.

## Integrating ESG into our investment decisions

We take steps to ensure ESG factors are considered across all our investment decisions. This includes the assets we invest in and the investment managers we work with.

When we research, select, appoint and monitor investment managers, we look at how well they have embedded ESG considerations into their processes.

We also consider how they manage existing and evolving ESG factors like climate change and workforce issues.

The following are examples of ESG factors we consider in our investment processes.

### Environmental

- Climate change (for example, exposure to stranded assets, low-carbon assets and climate-related scenario analysis)
- Greenhouse gas and carbon emissions (for example, carbon footprint measurement)
- Energy efficiency
- Waste management
- Land, air and water pollution
- Water availability.

### Social

- Modern slavery
- Human rights
- Indigenous rights
- Workforce (for example, fair pay, and health, safety and wellbeing)
- Diversity and equal opportunities (for example, gender diversity, ethnicity and gender pay gaps).

### Governance

- Corporate governance (for example, culture, conduct and accountability)
- Board diversity and composition
- Executive remuneration.

Over the course of the financial year, we began actively considering all Australian climate-related shareholder resolutions. We require all our equities investment managers to vote on company resolutions, unless we instruct them otherwise. We also ask them to provide a copy of their proxy voting policies, most recent ESG policies and reports on the ESG issues they are currently considering.

A consolidated summary of voting decisions by Rest's investment managers for the 2020/21 financial year is available at [go.rest.com.au/proxyrecord](https://go.rest.com.au/proxyrecord)

## Advocating for positive change

Our industry collaborations help promote good ESG practices by increasing awareness and education on ESG issues. They also help us engage with companies and government to positively influence ESG performance and policy.

We collaborate with the following organisations to help promote good ESG practices by increasing awareness and Social education on ESG issues.



Australian Sustainable Finance Initiative



Global Real Estate Sustainability Benchmark



Principles for Responsible Investment



Investor Group on Climate Change



World Green Building Council



Australian Council of Superannuation Investors



Responsible Investment Association Australasia

## Committing to net zero by 2050

During the 2020/21 financial year, Rest set a long-term objective to achieve a net zero carbon footprint for the fund by 2050 and established a roadmap to achieve this.

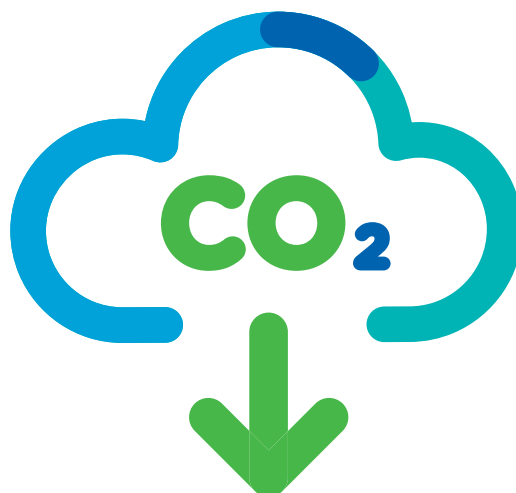
This objective is consistent with the United Nations' Paris Agreement and is our contribution to keeping the global temperature rise this century to well below two degrees Celsius above pre-industrial levels. It also seeks to pursue efforts to limit the temperature increase to 1.5 degrees Celsius.

This was in addition to the launch of our new ethical super option, Sustainable Growth, in 2021. This objective aligns with the UN's Sustainable Development Goals number seven 'Affordable and Clean Energy' and number 13 'Climate Action'.

Setting a course for a net zero carbon footprint for the fund will help us to keep growing your retirement savings in a lower-carbon economy over the long term.

Our analysis estimates that your savings are expected to be better off in the long term if the global community acts to meet the goals of the Paris Agreement, and worse off if climate change continues as it is.

We expect this approach to open up investment opportunities as we transition to a lower-carbon economy. Because of the material financial risk climate change poses for your retirement savings, it is vital that we contribute to achieving these goals to safeguard your long-term financial interests.



## Our actions to achieve net zero

### One

**By 31 December 2021, we intend to divest from all listed companies that derive more than 10 per cent of their revenue from thermal coal mining – unless the company has a credible net zero by 2050 plan or science-based targets.**

As at 30 June 2021, we held shares in six companies that derived more than 10 per cent of their revenue from thermal coal mining. This represented 0.5 per cent of our total share portfolio.

The Paris Agreement acknowledges that, as the global economy shifts to a lower-carbon future, we must ensure that the people and communities that have relied on carbon-intensive industries are not left behind. Rest will advocate for a 'just transition' for those communities that are particularly exposed to the shift away from carbon-intensive industries.

A just transition aims to ensure that the global economy is environmentally sustainable, while also providing decent work and quality jobs. This includes taking action to redeploy and reskill those workers who have depended on carbon-intensive industries and fostering new sustainable industries to prevent communities becoming stranded.

### Two

**We will advocate for an economy-wide 45 per cent reduction in emissions by 2030, based on 2005 levels. In particular, we will continue to reduce the Weighted Average Carbon Intensity (WACI) of our equities portfolio year on year.**

The WACI is an important metric for quantifying the carbon emissions in listed share portfolios. It measures a portfolio's exposure to carbon-intensive companies. It involves calculating how many tonnes of carbon emissions a company generates per \$1 million in sales. It is a metric recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

The WACI for Rest's Australian Shares and International Shares portfolios has been declining over recent years. Since the year to 30 June 2019, our base year, the WACI for our total shares portfolio has fallen by 23 per cent. We expect the decrease to continue as we advocate for economy-wide emissions reductions of 45 per cent by 2030.

### Three

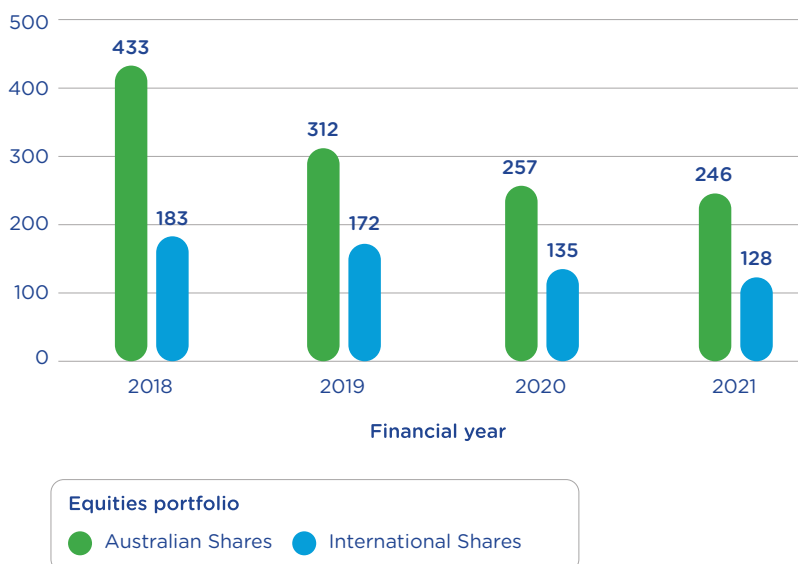
**We have an ambition to increase our investment in renewable energy and low-carbon assets to \$2 billion by 2025.**

As at 30 June 2021, Rest had \$927 million invested in physical renewable energy and low-carbon solution assets, as well as \$1.08 billion invested in listed companies classified as 'low-carbon solutions' by MSCI.

For example, the Collgar Wind Farm is 100 per cent owned by Rest, and generated nearly 20 per cent of Western Australia's (WA's) wholesale renewable power in the 2020/21 financial year. This is enough to power 134,000 average WA homes for a year. We also have a stake in Capistrano Wind Partners, which owns and operates wind farms in North America.

We aim to increase our investment in these types of assets by 2025.

### WACI of Rest's share portfolios





## Four

**We are aiming to have our directly owned property assets achieve net zero carbon emissions in operation by 2030.**

To meet this commitment, we have developed an action plan to reduce the energy demand of our buildings, in which we seek to transition to fully electrified assets powered by renewable energy, and offset residual emissions.

We have also signed the World Green Building Council's Net Zero Carbon Buildings Commitment for our directly owned office properties.

As at 30 June 2021, 76 per cent of our total property asset class had net zero carbon emission plans, compared to 24 per cent at 30 June 2020.

This includes the GPT Wholesale Office Fund, which has been net zero carbon in operation since the end of 2020; and the QIC Shopping Centre Fund, which aims to be net zero carbon in operation by 2028. The Charter Hall Prime Office Fund is aiming for the same by 2030.

## Five

**By 2026, we have an ambition to allocate 1 per cent of our whole portfolio to 'impact investments' that generate strong returns and also provide benefits to society and the environment.**

An 'impact investment' is an investment in an asset that generates strong financial returns, and also provides a positive and measurable impact to society and the environment.

As with all Rest investments, the primary consideration is providing strong long-term returns to our members. While impact investments do this, they also aim to generate positive and measurable social or environmental impacts at the outset of the investment.

This style of responsible investment can further help us achieve our net zero carbon footprint for the fund by 2050.

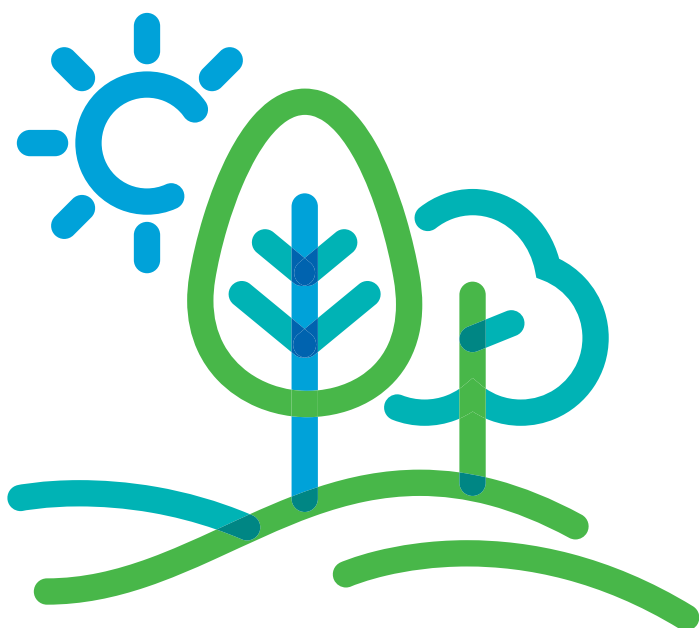
## Six

**We will regularly analyse and stress test our portfolio against a number of different climate change scenarios, including a society where there are net zero carbon emissions by 2050.**

In both 2020 and 2021, Rest stress tested its asset allocation against the long-term impacts of climate change. The tests were conducted in line with two International Energy Agency scenarios: a business-as-usual scenario (warming up to 3.2 degrees Celsius by 2100); and a sustainable development scenario (warming up to 1.8 degrees Celsius by 2100).

Rest will conduct scenario analysis and stress testing at least every two years, and will also use the International Energy Agency's net zero by 2050 scenario. This scenario aims to give the world a good chance of limiting the global temperature rise to 1.5 degrees Celsius by 2100.

Rest completed a phase 1 asset-level physical climate risk scenario analysis for the property and infrastructure portfolios over the financial year.



### For more information ...

For more information about Rest's approach to responsible investing and climate change, and to read about our alignment with the UN Sustainable Development Goals, please visit [go.rest.com.au/responsible-investment](https://go.rest.com.au/responsible-investment)

More information can also be found in our Sustainability, Responsible Investment and Climate Change Supplement for the 2020/21 financial year.

# Investing in Australia



## \$6 billion

Approximate amount invested in Australian infrastructure and property assets

As at 30 June 2021.

## Locations



1

### **52 Martin Place Sydney, NSW**

Rest is the sole owner of this iconic 36-level A-grade office and retail property built in Sydney's CBD in 1985. Rest purchased the building in 2014.



2

### **Quay Quarter Tower Sydney, NSW**

Rest has committed to a one-third investment in this 48-level premium-grade office building currently under construction in Sydney's Quay Quarter. Construction commenced in 2018 and is due to be completed in 2022. The building already has tenant pre-commitments from AMP, Deloitte and Corrs Chambers Westgarth.



3

### **Reliance Rail Sydney, NSW**

Reliance Rail was established to deliver the Waratah train fleet, which operates on Sydney's suburban rail network. These trains cover almost half of Sydney's passenger journeys. Rest has been an investor in this asset since 2006.



4

### **Endeavour Energy NSW**

Endeavour Energy is an electricity distribution network that services around 2.4 million people in households and businesses across Sydney's Greater West, and the Blue Mountains, Southern Highlands, Illawarra and South Coast regions of NSW. Rest has held an interest since 2017.



5

### **Lane Cove Tunnel Sydney, NSW**

Rest provided a debt facility to this toll road linking north-west Sydney to the CBD.



6

### **Queensland Motorway Brisbane, Qld**

Rest provided a debt facility to this toll road network operating in the Greater Brisbane area.



7

### **SEA Gas and Mortlake gas pipelines, SA**

SEA Gas is a gas pipeline that runs from Port Campbell. Rest has been an investor in this asset since 2008. The Mortlake pipeline supplies gas to the Mortlake Power Project. Rest acquired the pipeline alongside the APA Group in 2016.



8

### **Launceston Airport Launceston, Tas**

Since 1997, Rest has held an investment in the Australia Pacific Airports Corporation, which owns part of Launceston Airport.



**9**  
**Melbourne Airport**  
**Melbourne, Vic**

Since 1997, Rest has held an investment in the Australia Pacific Airports Corporation, which owns Melbourne Airport.



**10**  
**140 William St**  
**Melbourne, Vic**

Rest is the sole owner of this 45-level A-grade architecturally and historically significant office tower built near Melbourne's legal precinct in 1972. Rest purchased this building in 2002.



**11**  
**717 Bourke St**  
**Melbourne, Vic**

Rest is the sole owner of this 18-level A-grade office building in Melbourne's Docklands precinct. Rest purchased the asset in 2010, the year construction was completed.



**12**  
**Collgar Wind Farm**  
**Merredin, WA**

Collgar Wind Farm generated close to 20 per cent of WA's wholesale renewable electricity in 2020/21, displacing roughly 4 per cent of carbon dioxide emissions for the year. This is enough to power 134,000 Western Australian homes for a year. Rest has been involved in this project since 2010 and, in 2019, became the wind farm's sole owner.



**13**  
**Dampier to Bunbury pipeline**  
**WA**

Rest provided a debt facility to this natural gas transmission pipeline that stretches from the Pilbara down to WA's south-west region.



**14**  
**Eduwest**  
**WA**

Rest provided a debt facility to this private-public partnership to build eight primary and secondary schools in greater Perth.



## Other locations

### Warakirri Asset Management

Rest is a major investor in Warakirri, which manages around 99,000 hectares of rain-fed cropping farms in the Wimmera and Mallee regions of Victoria; the Riverina and north-west slopes regions of NSW; the Darling Downs in Queensland; and the south-eastern and Wheatbelt regions of WA.

### GPT Office Wholesale Fund

Rest has been an investor in this fund since 2006. The fund includes 17 office buildings across NSW, Victoria and Queensland, including Liberty Place and Darling Park in Sydney, and 8 Exhibition Street in Melbourne.

### Charter Hall Prime Office Fund

Rest has been an investor in this fund since 2006. The fund includes 28 office buildings in NSW, Victoria, Queensland, SA and WA. They include Chifley Square in Sydney and 570 Bourke Street in Melbourne.

### QIC Shopping Centre Fund

Rest has been an investor in this fund since 2004. The fund includes 13 retail centres across NSW, Victoria, Queensland, WA and the ACT. They include Canberra Centre, Castle Towers in Sydney and Robina Town Centre on the Gold Coast.

### Campus Living Villages

Rest has been an investor in Campus Living Villages (CLV) since 2007. CLV is a leading student accommodation developer and manager, providing more than 8,500 beds to students at several of Australia's major universities, and a further 36,000 beds in NZ, the US and the UK.

### Viva Energy REIT

Rest provided a debt facility to the Viva Energy REIT, which owns around 450 Coles Express- and Shell-branded service stations across the country.

## International

Rest has invested in these overseas infrastructure and property assets to diversify our portfolio.

### Powerco

New Zealand's second-largest gas and electricity distribution company.

### Gatwick Airport

The UK's second-busiest airport.

### Long Beach Container Terminal

Part of the San Pedro Bay Port Complex in California, which is the largest gateway port in the US.

### Capistrano Wind Partners

Owner of wind farms in Texas, Nebraska and Wyoming in the US.

### Cube District Energy

Operator of landfill gas-to-energy plants in the US.

### Greystar Urban Growth Venture

A joint venture with Greystar Real Estate Partners to build and invest in rental apartment buildings (multi-family) across the US, with 11 assets at various stages of construction across eight cities, totalling more than 3,000 units on completion.

# Investment returns

## Rest Super investment options

Investment options	10-year (% pa)	7-year (% pa)	5-year (% pa)	3-year (% pa)	1-year (%)
<b>Core Strategy</b>	8.41%	7.49%	8.26%	7.18%	17.43%
<b>Capital Stable</b>	5.56%	4.77%	4.90%	4.34%	9.14%
<b>Balanced</b>	7.05%	6.29%	6.67%	5.88%	13.91%
<b>Balanced – Indexed</b>	N/A	N/A	N/A	N/A	19.98%
<b>Diversified</b>	8.85%	8.10%	8.73%	7.73%	19.18%
<b>High Growth</b>	10.01%	9.30%	10.16%	8.91%	23.17%
<b>Sustainable Growth</b>	N/A	N/A	N/A	N/A	N/A
<b>Basic Cash*</b>	1.77%	1.30%	1.05%	0.76%	0.02%
<b>Cash</b>	2.18%	1.74%	1.56%	1.35%	0.81%
<b>Bonds</b>	4.00%	2.69%	2.30%	2.26%	0.26%
<b>Property</b>	7.74%	8.23%	7.75%	5.48%	6.47%
<b>Shares</b>	11.59%	10.74%	12.22%	10.43%	27.62%
<b>Australian Shares</b>	9.84%	9.19%	10.75%	7.79%	25.98%
<b>Australian Shares – Indexed</b>	N/A	N/A	N/A	N/A	26.05%
<b>Overseas Shares</b>	12.07%	10.86%	12.15%	10.74%	26.75%
<b>Overseas Shares – Indexed</b>	N/A	N/A	N/A	N/A	25.13%

## Rest's investment strategy

Rest's primary investment goal is to grow members' savings by delivering net after-tax returns above the rate of inflation (referred to as real net after-tax returns) over the long term. Rest believes that actively managing investments can add value by capturing opportunities and managing risks to meet the investment objectives of the investment options. This means the Trustee actively manages the asset allocation and selection of investment managers employed within each investment option. Environmental, social and governance factors are considered and integrated in our investment process, which we believe will improve investment outcomes.

Rest's investment approach is to retain a mix of investment managers employing different investment management styles to build diversified portfolios of investments. The asset allocation of the actively managed Structured Options is adjusted at least annually. The Core Strategy and Sustainable Growth asset allocations are reviewed on an ongoing basis and adjusted to consider current and expected market conditions and other relevant considerations.

## 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. The net investment returns are allocated to a member's account based on the number of units of the investment option they invested in. Past performance is not an indication of future performance.

For more information, visit [rest.com.au/member/investments/performance](https://rest.com.au/member/investments/performance)

All returns are as at 30 June 2021.

\* Basic Cash was closed on 13 August 2021, and members in this option were moved to Cash.

## Rest Pension investment options

Investment options	10-year (% pa)	7-year (% pa)	5-year (% pa)	3-year (% pa)	1-year (%)
<b>Core Strategy</b>	9.35%	8.31%	9.39%	8.43%	19.63%
<b>Capital Stable</b>	6.27%	5.34%	5.52%	4.94%	9.92%
<b>Balanced</b>	7.88%	6.98%	7.46%	6.70%	15.19%
<b>Balanced – Indexed</b>	N/A	N/A	N/A	N/A	22.51%
<b>Diversified</b>	9.83%	8.94%	9.73%	8.78%	21.21%
<b>High Growth</b>	11.07%	10.27%	11.37%	10.22%	25.88%
<b>Sustainable Growth</b>	N/A	N/A	N/A	N/A	N/A
<b>Basic Cash*</b>	2.09%	1.52%	1.23%	0.90%	0.03%
<b>Cash</b>	2.61%	2.08%	1.85%	1.60%	0.95%
<b>Bonds</b>	4.65%	3.13%	2.69%	2.66%	0.39%
<b>Property</b>	8.61%	9.05%	8.51%	6.00%	7.16%
<b>Shares</b>	12.66%	11.72%	13.61%	11.97%	30.70%
<b>Australian Shares</b>	11.08%	10.32%	12.48%	10.16%	27.19%
<b>Australian Shares – Indexed</b>	N/A	N/A	N/A	N/A	29.74%
<b>Overseas Shares</b>	13.30%	11.90%	13.32%	11.76%	29.40%
<b>Overseas Shares – Indexed</b>	N/A	N/A	N/A	N/A	27.60%

## Investment options

The tables on the following pages outline how our assets are structured according to the investment options. As at 30 June 2021, 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 2021.

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																																																																		
<b>Aim<sup>1</sup></b>	Achieve a balance of risk and return by investing in both growth assets and defensive assets.	<b>Capital Stable</b> Provide a stable pattern of returns, while maintaining a low probability of a negative return in any one year.																																																																		
<b>Investment return objective<sup>2</sup></b>	CPI + 3% pa over the long term (rolling 10-year periods).	CPI + 1% pa over the medium term (rolling 4-year periods).																																																																		
<b>Asset allocation<sup>3</sup></b>	A balance of growth and defensive assets, with a focus on growth assets (can range from 60% to 75% growth assets) consisting of Australian and overseas shares, Australian and overseas bonds, property, infrastructure, cash and other asset classes.	Primarily defensive assets (can range from 60% to 75% defensive assets) consisting of mainly Australian and overseas bonds, and cash, with a smaller proportion of Australian and overseas shares, property, infrastructure and other asset classes.																																																																		
	<table> <tr> <th></th><th>1 July 2020</th><th>30 June 2021</th></tr> <tr> <td>Cash</td><td>7%</td><td>4%</td></tr> <tr> <td>Bonds</td><td>6%</td><td>10%</td></tr> <tr> <td>Sub-Investment Grade Bonds</td><td>10%</td><td>6%</td></tr> <tr> <td>Absolute Return</td><td>6%</td><td>3%</td></tr> <tr> <td>Agriculture</td><td>1%</td><td>1%</td></tr> <tr> <td>Infrastructure</td><td>11%</td><td>11%</td></tr> <tr> <td>Property</td><td>11%</td><td>9%</td></tr> <tr> <td>Australian Shares</td><td>17%</td><td>24%</td></tr> <tr> <td>Overseas Shares</td><td>23%</td><td>24%</td></tr> <tr> <td>Equity Strategies</td><td>5%</td><td>5%</td></tr> <tr> <td>Private Equity</td><td>3%</td><td>3%</td></tr> </table>		1 July 2020	30 June 2021	Cash	7%	4%	Bonds	6%	10%	Sub-Investment Grade Bonds	10%	6%	Absolute Return	6%	3%	Agriculture	1%	1%	Infrastructure	11%	11%	Property	11%	9%	Australian Shares	17%	24%	Overseas Shares	23%	24%	Equity Strategies	5%	5%	Private Equity	3%	3%	<table> <tr> <th></th><th>1 July 2020</th><th>30 June 2021</th></tr> <tr> <td>Cash</td><td>32%</td><td>17%</td></tr> <tr> <td>Bonds</td><td>16%</td><td>31%</td></tr> <tr> <td>Sub-Investment Grade Bonds</td><td>7%</td><td>7%</td></tr> <tr> <td>Absolute Return</td><td>9%</td><td>7%</td></tr> <tr> <td>Infrastructure</td><td>7%</td><td>7%</td></tr> <tr> <td>Property</td><td>7%</td><td>7%</td></tr> <tr> <td>Australian Shares</td><td>8%</td><td>11%</td></tr> <tr> <td>Overseas Shares</td><td>11%</td><td>10%</td></tr> <tr> <td>Equity Strategies</td><td>3%</td><td>3%</td></tr> </table>		1 July 2020	30 June 2021	Cash	32%	17%	Bonds	16%	31%	Sub-Investment Grade Bonds	7%	7%	Absolute Return	9%	7%	Infrastructure	7%	7%	Property	7%	7%	Australian Shares	8%	11%	Overseas Shares	11%	10%	Equity Strategies	3%	3%
	1 July 2020	30 June 2021																																																																		
Cash	7%	4%																																																																		
Bonds	6%	10%																																																																		
Sub-Investment Grade Bonds	10%	6%																																																																		
Absolute Return	6%	3%																																																																		
Agriculture	1%	1%																																																																		
Infrastructure	11%	11%																																																																		
Property	11%	9%																																																																		
Australian Shares	17%	24%																																																																		
Overseas Shares	23%	24%																																																																		
Equity Strategies	5%	5%																																																																		
Private Equity	3%	3%																																																																		
	1 July 2020	30 June 2021																																																																		
Cash	32%	17%																																																																		
Bonds	16%	31%																																																																		
Sub-Investment Grade Bonds	7%	7%																																																																		
Absolute Return	9%	7%																																																																		
Infrastructure	7%	7%																																																																		
Property	7%	7%																																																																		
Australian Shares	8%	11%																																																																		
Overseas Shares	11%	10%																																																																		
Equity Strategies	3%	3%																																																																		
<b>Minimum suggested time frame</b>	10+ years	4+ years																																																																		
<b>Estimated number of negative annual returns over any 20-year period<sup>4</sup></b>	3 to less than 4	1 to less than 2																																																																		
<b>Risk band and level<sup>5</sup></b>	5, Medium to High	3, Low to Medium																																																																		
<b>What this option has returned<sup>6</sup></b> (Past performance is not an indication of future performance).	<table> <tr> <th>Year</th><th>Super/Acumen</th><th>Pension</th></tr> <tr> <td>2017</td><td>11.07%</td><td>12.40%</td></tr> <tr> <td>2018</td><td>8.76%</td><td>9.30%</td></tr> <tr> <td>2019</td><td>5.96%</td><td>6.85%</td></tr> <tr> <td>2020</td><td>-1.05%</td><td>-0.26%</td></tr> <tr> <td>2021</td><td>17.43%</td><td>19.63%</td></tr> <tr> <td colspan="3">Annualised return (pa)</td></tr> <tr> <td>5-year</td><td>8.26%</td><td>9.39%</td></tr> <tr> <td>10-year</td><td>8.41%</td><td>9.35%</td></tr> </table>	Year	Super/Acumen	Pension	2017	11.07%	12.40%	2018	8.76%	9.30%	2019	5.96%	6.85%	2020	-1.05%	-0.26%	2021	17.43%	19.63%	Annualised return (pa)			5-year	8.26%	9.39%	10-year	8.41%	9.35%	<table> <tr> <th>Year</th><th>Super/Acumen</th><th>Pension</th></tr> <tr> <td>2017</td><td>6.97%</td><td>7.96%</td></tr> <tr> <td>2018</td><td>4.53%</td><td>4.83%</td></tr> <tr> <td>2019</td><td>4.24%</td><td>4.81%</td></tr> <tr> <td>2020</td><td>-0.15%</td><td>0.32%</td></tr> <tr> <td>2021</td><td>9.14%</td><td>9.92%</td></tr> <tr> <td colspan="3">Annualised return (pa)</td></tr> <tr> <td>5-year</td><td>4.90%</td><td>5.52%</td></tr> <tr> <td>10-year</td><td>5.56%</td><td>6.27%</td></tr> </table>	Year	Super/Acumen	Pension	2017	6.97%	7.96%	2018	4.53%	4.83%	2019	4.24%	4.81%	2020	-0.15%	0.32%	2021	9.14%	9.92%	Annualised return (pa)			5-year	4.90%	5.52%	10-year	5.56%	6.27%												
Year	Super/Acumen	Pension																																																																		
2017	11.07%	12.40%																																																																		
2018	8.76%	9.30%																																																																		
2019	5.96%	6.85%																																																																		
2020	-1.05%	-0.26%																																																																		
2021	17.43%	19.63%																																																																		
Annualised return (pa)																																																																				
5-year	8.26%	9.39%																																																																		
10-year	8.41%	9.35%																																																																		
Year	Super/Acumen	Pension																																																																		
2017	6.97%	7.96%																																																																		
2018	4.53%	4.83%																																																																		
2019	4.24%	4.81%																																																																		
2020	-0.15%	0.32%																																																																		
2021	9.14%	9.92%																																																																		
Annualised return (pa)																																																																				
5-year	4.90%	5.52%																																																																		
10-year	5.56%	6.27%																																																																		

More information about these options and footnotes are included on pages 54 and 55.



Balanced			Balanced – Indexed			Diversified		
Achieve a balance of risk and return by investing in approximately equal proportions of growth assets and defensive assets.			Achieve the investment objective through an index-based investment in a mixture of growth and defensive assets.			Achieve strong returns over the longer term by investing in a diversified mix of assets weighted towards shares and other growth assets.		
CPI + 2% pa over the medium term (rolling 6-year periods).			Perform in line with the benchmark return (before tax) over all time periods. The benchmark is calculated using the S&P/ASX 300 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.			CPI + 3% pa over the long term (rolling 10-year periods).		
A balance of growth and defensive assets, with a focus on growth assets (can range from 45% to 60% growth assets) consisting of Australian and overseas shares, Australian and overseas bonds, property, infrastructure, cash and other asset classes.			A mix of growth and defensive assets, with a focus on growth assets (can range from 70% to 85% growth assets) consisting of Australian and overseas shares, Australian and overseas bonds, and cash.			A mix of growth and defensive assets, with a focus on growth assets (can range from 65% to 80% growth assets) consisting of Australian and overseas shares, property, infrastructure, other asset classes plus, smaller amounts of bonds (both Australian and overseas) and cash.		
	1 July 2020	30 June 2021		1 July 2020	30 June 2021		1 July 2020	30 June 2021
Cash	20%	11%	Cash	5%	5%	Cash	5%	3%
Bonds	10%	18%	Bonds	20%	20%	Bonds	7%	9%
Sub-Investment Grade Bonds	8%	8%	Australian Shares	30%	35%	Sub-Investment Grade Bonds	8%	6%
Absolute Return	9%	7%	Overseas Shares	45%	40%	Absolute Return	5%	3%
Infrastructure	8%	8%				Infrastructure	11%	11%
Property	8%	8%				Property	11%	9%
Australian Shares	13%	17%				Australian Shares	19%	25%
Overseas Shares	18%	17%				Overseas Shares	25%	25%
Equity Strategies	4%	4%				Equity Strategies	5%	5%
Private Equity	2%	2%				Private Equity	4%	4%
6+ years			12+ years			10+ years		
2 to less than 3			4 to less than 6			3 to less than 4		
4, Medium			6, High			5, Medium to High		
Year	Super/Acumen	Pension	This option commenced on 6 December 2018			Year	Super/Acumen	Pension
2017	9.26%	10.50%	Year	Super/Acumen	Pension	2017	11.84%	13.28%
2018	6.45%	6.76%	2020	0.44%	0.44%	2018	8.71%	9.08%
2019	5.07%	5.72%	2021	19.98%	22.51%	2019	6.25%	7.02%
2020	-0.82%	-0.24%				2020	-1.27%	-0.77%
2021	13.91%	15.19%				2021	19.18%	21.21%
Annualised return (pa)			Annualised return (pa)			Annualised return (pa)		
5-year	6.67%	7.46%	5-year	N/A	N/A	5-year	8.73%	9.73%
10-year	7.05%	7.88%	10-year	N/A	N/A	10-year	8.85%	9.83%

More information about these options and footnotes are included on pages 54 and 55.

# Investment options

## Structured options

## Member-tailored options

### Aim<sup>1</sup>

#### High Growth

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

#### Sustainable Growth

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

#### Basic Cash

Achieve the investment objective by maintaining a defensive investment in short-term bank and Australian Government cash, debt securities and deposits. This option was closed on 13 August 2021.

### Investment return objective<sup>2</sup>

CPI + 4% pa over the very long term (rolling 12-year periods).

CPI + 3.5% 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.

### Asset allocation<sup>3</sup>

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

A mix of growth and defensive assets, with a focus on growth assets (can range from 70% to 85% growth assets) consisting of cash, bonds, and sustainability-focused shares, property and infrastructure.

Predominantly defensive assets (generally 100% defensive assets) consisting of deposits with, or short-term discount securities (bank bills and negotiable certificates of deposit) issued by major Australian banks. 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. 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.

	1 July 2020	30 June 2021
Sub-Investment Grade Bonds	9%	6%
Absolute Return	4%	3%
Infrastructure	10%	10%
Property	10%	8%
Australian Shares	24%	30%
Overseas Shares	32%	32%
Equity Strategies	6%	6%
Private Equity	5%	5%

	29 March 2021	30 June 2021
Cash	4.5%	4.5%
Bonds	18%	18%
Infrastructure	2%	2%
Property	3%	3%
Australian Shares	32.5%	32.5%
Overseas Shares	40%	40%

	1 July 2020	30 June 2021
Cash	100%	100%

### Minimum time frame

12+ years

12+ years

3 months or less

### Estimated number of negative annual returns over any 20-year period<sup>4</sup>

4 to less than 6

4 to less than 5

Less than 0.5 of a year

### Risk band and level<sup>5</sup>

6, High

6, High

1, Very Low

### What this option has returned<sup>6</sup>

(Past performance is not an indication of future performance).

Year	Super/Acumen	Pension
2017	13.71%	15.35%
2018	10.45%	10.93%
2019	6.95%	7.87%
2020	-1.93%	-1.37%
2021	23.17%	25.88%

Annualised return (pa)		
5-year	10.16%	11.37%
10-year	10.01%	11.07%

This option commenced on 29 March 2021.		
Year	Super/Acumen	Pension
2021	N/A	N/A

Annualised return (pa)		
5-year	N/A	N/A
10-year	N/A	N/A

Year	Super/Acumen	Pension
2017	1.45%	1.75%
2018	1.51%	1.69%
2019	1.60%	1.89%
2020	0.66%	0.79%
2021	0.02%	0.03%

Annualised return (pa)		
5-year	1.05%	1.23%
10-year	1.77%	2.09%

More information about these options and footnotes are included on pages 54 and 55.

## Cash

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

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

Predominantly defensive assets (generally 100% defensive assets) consisting of deposits with major Australian banks. As at 30 June 2021, the portfolio invested exclusively in deposits with Australia and New Zealand Banking Group Ltd (ANZ). From 3 August 2021, the portfolio will invest exclusively in deposits with ANZ (60%) and National Australia Bank Ltd (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 guaran-teeed by the Australian 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.

	1 July 2020	30 June 2021
Cash	100%	100%

3 months or less

Less than 0.5 of a year

1, Very Low

Year	Super/ Acumen	Pension
2017	1.93%	2.30%
2018	1.83%	2.16%
2019	1.97%	2.33%
2020	1.26%	1.51%
2021	0.81%	0.95%

### Annualised return (pa)

5-year	1.56%	1.85%
10-year	2.18%	2.61%

## Bonds

Achieve the investment objective by holding a mixture of Australian and overseas government and corporate bonds.

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 Barclays Global Aggregate Credit 1-5 Years Total Return Index (hedged in AUD) and Bloomberg Barclays Global Aggregate Index (hedged in AUD).

Predominantly defensive assets (generally 100% defensive assets) consisting of a mixture of Australian and overseas debt securities issued by governments, semi-government authorities and companies.

	1 July 2020	30 June 2021
Bonds	100%	100%

4+ years

2 to less than 3

4, Medium

Year	Super/ Acumen	Pension
2017	3.73%	4.33%
2018	1.00%	1.15%
2019	5.31%	6.13%
2020	1.27%	1.55%
2021	0.26%	0.39%

### Annualised return (pa)

5-year	2.30%	2.69%
10-year	4.00%	4.65%

## Property

Achieve the investment objective by investing in a mixture of Australian and overseas property assets.

Outperform the 10-year Commonwealth Government bond rate by 3% pa (before tax and after fees) over rolling 7-year periods.

Mid-risk assets (equivalent to a balance of growth and defensive assets, can range from 45% to 55% growth assets) consisting of property.

	1 July 2020	30 June 2021
Property	100%	100%

10+ years

3 to less than 4

5, Medium to High

Year	Super/ Acumen	Pension
2017	11.77%	12.92%
2018	10.74%	11.84%
2019	9.52%	10.34%
2020	0.64%	0.74%
2021	6.47%	7.16%

### Annualised return (pa)

5-year	7.75%	8.51%
10-year	7.74%	8.61%

More information about these options and footnotes are included on pages 54 and 55.

# Investment options

## Member-tailored

	Shares	Australian Shares																																																						
<b>Aim<sup>1</sup></b>	Achieve the investment objective through an investment in the Australian Shares and Overseas Shares asset classes.	Achieve the investment objective through an actively managed investment in the Australian Shares asset class.																																																						
<b>Investment return objective<sup>2</sup></b>	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.	<b>Super/Acumen</b> Outperform the S&P/ASX 300 Accumulation Index (before tax and after fees) over rolling 3-year periods. <b>Pension</b> Outperform the S&P/ASX 300 Accumulation Index (after fees and including an estimate of imputation credits) over rolling 3-year periods.																																																						
<b>Asset allocation<sup>3</sup></b>	Predominantly growth assets (can range from 90% to 100% growth assets) consisting of a mixture of Australian and overseas shares.	Predominantly growth assets (can range from 90% to 100% growth assets) consisting of Australian shares with a limited exposure of up to 10% in listed New Zealand shares.																																																						
	<table> <thead> <tr> <th></th><th>1 July 2020</th><th>30 June 2021</th></tr> </thead> <tbody> <tr> <td>Australian Shares</td><td>40%</td><td>45%</td></tr> <tr> <td>Overseas Shares</td><td>60%</td><td>55%</td></tr> </tbody> </table>		1 July 2020	30 June 2021	Australian Shares	40%	45%	Overseas Shares	60%	55%	<table> <thead> <tr> <th></th><th>1 July 2020</th><th>30 June 2021</th></tr> </thead> <tbody> <tr> <td>Australian Shares</td><td>100%</td><td>100%</td></tr> </tbody> </table>		1 July 2020	30 June 2021	Australian Shares	100%	100%																																							
	1 July 2020	30 June 2021																																																						
Australian Shares	40%	45%																																																						
Overseas Shares	60%	55%																																																						
	1 July 2020	30 June 2021																																																						
Australian Shares	100%	100%																																																						
<b>Minimum suggested timeframe</b>	12+ years	12+ years																																																						
<b>Estimated number of negative annual returns over any 20 year period<sup>4</sup></b>	4 to less than 6	6 years or greater																																																						
<b>Risk band &amp; level<sup>5</sup></b>	6, High	7, Very High																																																						
<b>What this option has returned<sup>6</sup></b> (Past performance is not an indication of future performance).	<table> <thead> <tr> <th>Year</th><th>Super/Acumen</th><th>Pension</th></tr> </thead> <tbody> <tr><td>2017</td><td>15.84%</td><td>17.54%</td></tr> <tr><td>2018</td><td>14.11%</td><td>14.73%</td></tr> <tr><td>2019</td><td>8.64%</td><td>9.93%</td></tr> <tr><td>2020</td><td>-2.88%</td><td>-2.31%</td></tr> <tr><td>2021</td><td>27.62%</td><td>30.70%</td></tr> <tr> <td colspan="3">Annualised return (pa)</td></tr> <tr><td>5-year</td><td>12.22%</td><td>13.61%</td></tr> <tr><td>10-year</td><td>11.59%</td><td>12.66%</td></tr> </tbody> </table>	Year	Super/Acumen	Pension	2017	15.84%	17.54%	2018	14.11%	14.73%	2019	8.64%	9.93%	2020	-2.88%	-2.31%	2021	27.62%	30.70%	Annualised return (pa)			5-year	12.22%	13.61%	10-year	11.59%	12.66%	<table> <thead> <tr> <th>Year</th><th>Super/Acumen</th><th>Pension</th></tr> </thead> <tbody> <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> <tr><td>2020</td><td>-6.95%</td><td>-3.78%</td></tr> <tr><td>2021</td><td>25.98%</td><td>27.19%</td></tr> <tr> <td colspan="3">Annualised return (pa)</td></tr> <tr><td>5-year</td><td>10.75%</td><td>12.48%</td></tr> <tr><td>10-year</td><td>9.84%</td><td>11.08%</td></tr> </tbody> </table>	Year	Super/Acumen	Pension	2017	13.98%	15.36%	2018	16.74%	16.76%	2019	6.83%	9.22%	2020	-6.95%	-3.78%	2021	25.98%	27.19%	Annualised return (pa)			5-year	10.75%	12.48%	10-year	9.84%	11.08%
Year	Super/Acumen	Pension																																																						
2017	15.84%	17.54%																																																						
2018	14.11%	14.73%																																																						
2019	8.64%	9.93%																																																						
2020	-2.88%	-2.31%																																																						
2021	27.62%	30.70%																																																						
Annualised return (pa)																																																								
5-year	12.22%	13.61%																																																						
10-year	11.59%	12.66%																																																						
Year	Super/Acumen	Pension																																																						
2017	13.98%	15.36%																																																						
2018	16.74%	16.76%																																																						
2019	6.83%	9.22%																																																						
2020	-6.95%	-3.78%																																																						
2021	25.98%	27.19%																																																						
Annualised return (pa)																																																								
5-year	10.75%	12.48%																																																						
10-year	9.84%	11.08%																																																						

Each investment option is designed for members with the investment objectives, risk tolerance and investment time horizon set out in the appropriate table.

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

<sup>1</sup> Aim – this is the goal or objective of the investment option.

<sup>2</sup> 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 available at [rest.com.au/dashboard](https://rest.com.au/dashboard)) to set the investment return objective.



### Australian Shares – Indexed

Achieve the investment objective through an index-based investment in Australian Shares.

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

Predominantly growth assets (can range from 90% to 100% growth assets) consisting of Australian shares.

	1 July 2020	30 June 2021
Australian Shares – Indexed	100%	100%

12+ years

6 years or greater

7, Very High

This option commenced on 6 December 2018		
Year*	Super/Acumen	Pension
2020	-6.72%	-7.40%
2021	26.05%	29.74%

Annualised return (pa)		
5-year	N/A	N/A
10-year	N/A	N/A

### Overseas Shares

Achieve the investment objective through an investment in Overseas Shares.

Outperform the MSCI All Country World ex-Australia Index in AUD (before tax and after fees) over rolling 3-year periods.

Predominantly growth assets (can range from 90% to 100% growth assets) consisting of overseas shares.

	1 July 2020	30 June 2021
Overseas Shares	100%	100%

12+ years

4 to less than 6

6, High

Year	Super/Acumen	Pension
2017	16.69%	18.51%
2018	11.95%	12.95%
2019	9.33%	9.94%
2020	-2.00%	-1.87%
2021	26.75%	29.40%

Annualised return (pa)		
5-year	12.15%	13.32%
10-year	12.07%	13.30%

### 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.

Predominantly growth assets (can range from 90% to 100% growth assets) consisting of overseas shares.

	1 July 2020	30 June 2021
Overseas Shares – Indexed	100%	100%

12+ years

4 to less than 6

6, High

This option commenced on 6 December 2018		
Year	Super/Acumen	Pension
2020	3.82%	4.14%
2021	25.13%	27.60%

Annualised return (pa)		
5-year	N/A	N/A
10-year	N/A	N/A

<sup>3</sup> Asset allocation – The asset allocations for all options as at 1 July 2020 and 30 June 2021 are listed, except for Sustainable Growth, where the opening asset allocation is as at the commencement of the option on 29 March. Please refer to the Investment Guide or the Pension PDS at [rest.com.au/pds](http://rest.com.au/pds) to review the benchmark and ranges for current asset allocations for all options.

<sup>4</sup> This is a guide as to the likely number of negative annual returns expected over any 20-year period, known as the Standard Risk Measure. See 'What is the Standard Risk Measure?' at [rest.com.au/srm](http://rest.com.au/srm)

<sup>5</sup> 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).

<sup>6</sup> What this option has returned – returns are net of investment fees and taxes, except Rest Pension options, which are untaxed, as at 30 June. The returns are based on the valuation of the underlying assets as at 30 June.

# Investment managers

## Rest's investment managers as at 30 June 2021

Asset class	Investment manager	Assets managed for Rest (%)
Australian Shares	Allan Gray Australia Pty Ltd	1.6
	Balanced Equity Management Pty Ltd	2.5
	Cooper Investors Pty Ltd	4.1
	Ethical Partners Funds Management Pty Ltd	1.3
	First Sentier Investors (Australia) IM Ltd	1.5
	Greencape Capital Pty Ltd	4.2
	Macquarie Investment Management Australia Ltd	2.3
	Parametric Portfolio Associates LLC	0.1
	Paradice Investment Management Pty Ltd	4.3
	Ubique Asset Management Pty Ltd	1.3
	Rest Investments*	1.9
		<b>25.1</b>
Overseas Shares	Artisan Partners Ltd Partnership	2.7
	Cooper Investors Pty Ltd	1.6
	First State Investments (Hong Kong) Limited	0.9
	GQG Partners LLC	2.1
	Hosking Partners LLP	4.2
	Longview Partners LLP	1.9
	MFS International Australia Pty Ltd	0.01
	Northcape Capital Pty Ltd	2.2
	Robeco Hong Kong Ltd	2.6
	Paradice Investment Management Pty Ltd	2.5
	Wellington Management Australia Pty Ltd	3.4
		<b>24.1</b>
Property	Campus Living Funds Management	0.6
	Charter Hall Funds Management Ltd	1.3
	GPT Funds Management Ltd	1.6
	Greystar Real Estate Partners	1.4
	Macquarie Investment Management Australia Ltd	0.5
	QIC Retail Pty Ltd	1.1
	Rest Investments*	2.3
		<b>8.8</b>
Bonds	JP Morgan Asset Management (Australia) Ltd	2.2
	Rest Investments*	1.3
	UBS Global Asset Management (Australia) Ltd	1.2
	Western Asset Management Company Pty Ltd	2.6
	Wellington Management Australia Pty Ltd	2.2
		<b>9.4</b>

## Rest's investment managers as at 30 June 2021

Asset class	Investment manager	Assets managed for Rest (%)
Cash	Australian and New Zealand Banking Group Limited	1.6
	Rest Investments*	7.9
		<b>9.5</b>
Basic Cash	Rest Investments*	<b>0.3</b>
Infrastructure	AMP Capital Investors Ltd	1.8
	First Sentier Investors (Australia) IM Ltd	0.2
	Global Infrastructure Management LLC	0.4
	I Squared Capital Advisors (US) LLC	0.6
	Macquarie Infrastructure Partners INC	1.4
	Rest Investments*	<b>1.4</b>
		<b>5.7</b>
Sub-investment grade bonds	Apollo ST Fund Management LLC	1.3
	Bain Capital Credit, LP	1.0
	Barings LLC	1.2
	Bentham Asset Management Pty Limited	1.3
	HayFin Capital Management LLP	0.7
	Rest Investments*	0.9
		<b>6.4</b>
Equity Strategies	Alliance Bernstein Investment Management Australia Ltd	0.4
	Cooper Investors Pty Ltd	2.2
	Holowesko Partners Limited	0.5
	Wellington Management Australia Pty Ltd	2.5
		<b>5.7</b>
Absolute Return	Ardea Investment Management	0.8
	BNP Paribas Investment Partners (Australia) Ltd	0.9
	Payden & Rygel Global Limited	0.8
		<b>2.5</b>
Private Equity	QIC Private Capital Pty Ltd	<b>0.8</b>
Agriculture	Warakirri Asset Management Pty Ltd	<b>0.9</b>
Australian Shares - Indexed	Macquarie Investment Management Australia Ltd	<b>0.2</b>
Overseas Shares - Indexed	Macquarie Investment Management Australia Ltd	<b>0.3</b>
Balanced - Indexed	Macquarie Investment Management Australia Ltd	<b>0.4</b>
<b>Total</b>		<b>100</b>

\* Internally managed investments are those managed by Rest and members of its group, including Super Investment Management Pty Ltd ABN 86 079 706 657 (Australian Financial Services Licence 240004), a wholly owned company of Rest.

# 07

## Governance and leadership



**Javier,**  
Rest member



# 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 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, including major employers participating in Rest, and 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 2021

Employee representation	Board member since	Nominated by
Michael Tehan	1 October 2017	SDA
Julia Fox	1 January 2018	SDA
Adam Walk	1 January 2020	SDA
Helen Cooney	30 September 2020	SDA
Employer representation	Board member since	Nominated by
Steven Priestley	4 March 2014	Coles Group
Sally Evans	2 May 2018	Super Retail Group Ltd
Vaughn Richtor	26 June 2019	Woolworths Group Ltd
Catriona Noble	1 January 2021	Australian Retailers Association
Independent Chair	Board member since	Nominated by
Ken Marshman*	17 December 2013	The Board

\* Appointed as Independent Chair on 31 July 2014

## Departures from the Board

Director	Term ended on	Replaced by
Ian Blandthorn	29 September 2020	Helen Cooney
John Edstein	31 December 2020	Catriona Noble

# 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 7 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
- Director of Queens College Trust Corporation
- Trustee of Endymion Superannuation Fund

## Board committee membership

- Chair of the Board Investment Committee
- People, Culture and Remuneration Committee
- Member and Employer Services Committee.



**Steven Priestley**

## Qualifications

**Bachelor of Commerce (B Com)**

Steve has 35 years of experience in finance and general management and was the Financial Controller for Coles Retail, Coles Group Limited, when he retired from Coles in 2014. 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 in 2014. He worked in the Coles Group in various roles over an eight-year period (2006 to 2014). Prior to this, his career was primarily with Shell Australia Ltd, 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
- Director of Super Investment Management Pty Ltd

## Board committee membership

- Chair of the Audit, Risk and Compliance Committee
- Board Investment Committee.



**Michael Tehan**

#### Qualifications

**Bachelor of Arts (BA)**

**Bachelor of Laws (LLB)**

**Fellow of the Australian Institute of Company Directors (FAICD)**

**Fellow of the Institute of Public Administration, Australia (Vic)**

Michael has more than 40 years' experience in industrial relations and administrative law. In 2014, Michael retired as a partner of the legal firm Minter Ellison after more than 25 years at the firm in several different roles. He now practises as a mediator in commercial disputes. Michael has previously served as a Director of a large aged care and disability service provider, a Chair of a kindergarten, and a School Council Member.

#### Current directorships/appointments

- Director of Retail Employees Superannuation Pty Ltd
- Director of Super Investment Management Pty Ltd
- Member, Advisory Board, Department of Management and Marketing, Faculty of Business and Economics, University of Melbourne

#### Board committee membership

- Member and Employer Services Committee
- Board Investment 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 over 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 becoming 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 that 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

#### Board committee membership

- Chair of the People, Culture and Remuneration Committee.

# Directors



**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. Her early professional career as a public sector clinical dietitian led to her undertaking executive roles in health services, investment management and wealth management, working across both the public and private sectors in Australia, New Zealand, the United Kingdom and Hong Kong, with broader responsibilities across the Asia Pacific region. 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 non-executive director experience spans international private, social enterprise and government advisory boards as well as board committees in the areas of risk, audit and remuneration. Previously, 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 Government's Aged Care Financing Authority, Chair of LifeCircle and an inaugural member of the EveryAGE Counts Advisory Group.

## Current directorships/appointments

- Director of Retail Employees Superannuation Pty Ltd
- Non-executive Director of Oceania Healthcare Group
- Non-executive Director of Healius
- Non-executive Director of Allianz Australian Life Insurance Ltd
- Non-executive Director of Allianz Australia Life Insurance Holdings Ltd
- Director Ingenia Communities RE Limited
- Director Ingenia Communities Holdings Limited

## Board committee membership

- People, Culture and Remuneration Committee
- Audit, Risk and Compliance 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 then CEO of Challenger and Growth Countries – Asia, ING Group. He joined ING in London in 1991 and was Deputy General Manager UK and Ireland, establishing the ING Dublin branch. Vaughn 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. He is an adviser to Rhizome Advisory, Spriggy (a fintech company providing children's e-pocket money) and Wyvern Health. Vaughn was Chairman of Ratesetter Australia from 2017 to 2019; Non-executive Director of TMB Bank in

Thailand from 2008 to 2019; Non-executive Director of ING Vysya Bank in India from 2009 until its merger with Kotak Mahindra Bank in 2015; and Non-executive Director of Kookmin Group in Korea from 2010 to 2012. He was named Australian Financial Services Executive of the Year in 2015. He has written and spoken extensively on leadership, corporate culture, customer centricity and digital banking.

### Current directorships/appointments

- Director of Retail Employees Superannuation Pty Ltd
- Non-executive Director of MyState Limited and its subsidiaries
- Director of Velldan Pty Ltd
- Member of the Advisory Council to Rhizome
- Advisor to Spriggy
- Member Advisory Council Wyvern Health

### Board committee membership

- Chair of the Member and Employer Services Committee
- People, Culture and Remuneration Committee.



Helen Cooney

### Qualifications

**Bachelor of Arts (BA (Hons))**  
**Master of Government and Commercial Law (MGCL)**

**Graduate of the Australian Institute of Company Directors (GAICD)**

**Graduate of the Australian Institute of Superannuation Trustees (GAIST)**

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. 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

- Director of Retail Employees Superannuation Pty Ltd
- Alternate Director of Service Skills Victoria

### Board committee membership

- People, Culture and Remuneration Committee
- Member and Employer Services Committee
- Audit, Risk and Compliance Committee.

# Directors



**Dr Adam Walk**

## Qualifications

**Bachelor of Arts, Politics (BA)**

**Bachelor of Business, Banking and Finance (BBus)**

**Master of Applied Finance and Investment (MApFin)**

**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)**

**Certified Investment Management Analyst (CIMA) designee**

Adam Walk 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 at Drew, Walk & Co. 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

- Director of Retail Employees Superannuation Pty Ltd
- Director of Super Investment Management Pty Ltd
- Director of Drew, Walk & Co. Pty Ltd
- Chair of Campion College Australia
- Director of Walk Group of Companies
- Director of De Colmar Pty Ltd
- Director of The Investment Committee Pty Ltd
- Director of Power Group of Companies
- Chair of the Investment Committee, RSL Queensland
- Member of the Advisory Board, Hamilton12 Pty Ltd
- Adjunct Professor in the School of Business (Sydney), University of Notre Dame Australia
- Adviser to the Group Strategic Capital Committee, The Royal Automobile Club of Queensland Ltd
- Board Member, Archdiocesan Development Fund, Roman Catholic Archdiocese of Brisbane
- Member, Finance, Audit and Risk Committee, Mary Aikenhead Ministries

## Board committee membership

- Board Investment Committee
- Audit, Risk and Compliance Committee.



**Catriona Noble**

### Qualifications

**Advanced Management Programme at INSEAD Business School, Fontainebleau, France**

**Strategy and Business at Macquarie Graduate School of Management (MGSM)**

**Digital Business Transformation Programme at MIT, Boston**

**Member of the Australian Institute of Company Directors (AICD)**

Catriona has led significant growth and major restructures at some of Australia's largest organisations. Considered a true champion of the customer, her strategic vision and business acumen has reshaped the customer experience at ANZ and McDonald's, resulting in increased customer base, profitability and market share.

Catriona is a leader who strives to be a positive catalyst for change, with a track record in all areas of business operations. She combines strategic thinking with a commitment to high performance and a highly disciplined 'get it done' approach. Her ability to challenge traditional thinking and innovate core processes has delivered significant business performance and cultural improvements across the banking and fast-moving consumer goods sectors.

During her time with ANZ, Catriona was responsible for key retail distribution channels to customers, including the Australian Branch Network. Catriona led a team of more than 6,000 people, also spending time as an executive sponsor for several key institutional banking clients and on the board of ANZ Global Services & Operations (Manila).

At McDonald's, she held the role of Chief Restaurant Officer, Asia, Pacific, Middle East and Africa, based in Singapore. In this role, she was responsible for more than 10,000 restaurants and 200,000 people. Previously, Catriona was CEO and Managing Director for McDonald's Australia and Chair of RMHC (Ronald McDonald House Charities) for approximately five years.

Throughout a 20-year career with McDonald's, Catriona earned a reputation as an innovator for her success in driving fundamental cultural change to achieve business success. During her time as CEO she played an integral role in the transformation of the McDonald's brand in Australia from a pure fast food outlet to one that offers McCafe and healthier options, attracting a broader customer base in the process.

### Current directorships/appointments

- Director of Retail Employees Superannuation Pty Ltd
- Non-executive Director of Sydney Festival Ltd
- Advisory Board – UTS Business School

### Board committee membership

- Member and Employer Services Committee
- Board Investment Committee.

# Alternate Directors

## The Alternate Directors of the Board as at 30 June 2021

Employee representation	Board member since	Nominated by
Joanne Lester	28 July 2016	Wesfarmers Ltd
Aliscia di Mauro	1 October 2017	SDA
Gerard Dwyer	4 March 2020*	SDA
Michael Donovan	25 November 2020*	SDA

\* Gerard Dwyer was previously an Alternate Director to Joe de Bruyn in Retail Employees Superannuation Pty Ltd, from 22 April 2014 to 31 December 2019. Michael Donovan was previously an Alternate Director to Ian Blandthorn in Retail Employees Superannuation Pty Ltd, from 31 March 2011 to 29 September 2020.

### Joanne Lester

#### Qualifications

**Bachelor of Psychology (BPsychol)**

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

**Graduate of the Australian Institute of  
Company Directors (GAICD)**

Joanne has more than 25 years' experience in the superannuation industry and is currently Superannuation Manager at Wesfarmers Ltd. Change management has been a key feature of Joanne's superannuation career as the superannuation landscape and Wesfarmers' organisational structure have changed considerably over her nearly 25 years with the company.

#### 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.

#### Board committee membership

- Nil – however, in addition to acting as Alternate Director for Steven Priestley at Board meetings, Joanne may take Steven's place at committee meetings if Steven is unable to attend.

---

## Aliscia di Mauro

### Qualifications

**Bachelor of Laws (LLB(Hons))**

**Bachelor of Commerce (BCom)**

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

### Board committee membership

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

---

## Gerard Dwyer

### Qualifications

**Bachelor of Education – History and English (BEd)**

**Master of Business – (Employment Relations) (MBus)**

**Graduate of the Australian Institute of Company Directors (GAICD)**

Gerard is the National Secretary-Treasurer of the Shop, Distributive & Allied Employees' Association (SDA). He has been the Secretary-Treasurer of the SDA's 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 unions 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 trade union official over the course of more than 20 years.

### Current directorships/ appointments

- Alternate Director to Dr Adam Walk in Retail Employees Superannuation Pty Ltd
- National Secretary-Treasurer of the SDA
- Member of the ALP National Executive
- Senior Vice President of the ACTU.

### Board committee membership

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

---

## Michael Donovan

### 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 in research, advocacy, negotiation, member advice, delegate education and some government liaison. Michael was advocate for the SDA in the major case that established industry-wide superannuation for retail workers in 1987-1988. He became Assistant Secretary of the Victorian Branch of the SDA in 1992 and Secretary in 1996. Michael supervises Victorian branch employees, and in association with other elected Officers is responsible for the financial management and strategic direction of the branch. He became the National Vice-President of the SDA in 2014, and the National President in 2018.

### Current directorships/ appointments

- Alternate Director to Helen Cooney in Retail Employees Superannuation Pty Ltd
- Chair of Publicity Works Pty Ltd.

### Board committee membership

- Nil – however, in addition to acting as Alternate Director for Helen Cooney at Board meetings, Michael may take her place at committee meetings if she is unable to attend.



# Rest Board governance

## Board composition

Under its governing rules, the Rest Board may appoint directors who are not employees or representatives of any affiliated organisations. Ensuring an appropriate mix of skills, knowledge and experience on the Board is a 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 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 [rest.com.au/about-rest/corporate-governance](https://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 performance review process, including regular assessments conducted by independent external consultants to ascertain directors' capabilities and knowledge.

## Fitness and propriety

An initial 'fit and proper' assessment must be completed before a person is appointed as a Responsible Person. The assessment includes a 'screening' of the various law enforcement and regulatory registers. Following this initial assessment, each Responsible Person is assessed annually and 're-screened' every three years to ensure they remain fit and proper. Responsible Persons at Rest include directors and senior management, and appointed actuaries and auditors.

## Annual certifications

The outcomes of all annual 'fit and proper' assessments are reported to the Audit, Risk and Compliance Committee and then to the Board. This includes confirming the criteria for fitness and propriety established by Rest's fit and proper policy has been met.

## Periodic training reviews

The Board reviews each director's training progress at each 'in cycle' Board meeting during the year.

## 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 honesty, equity, integrity and social responsibility
- Keep the information they have accessed as part of their roles confidential
- Not conduct Rest's business when affected by drugs or alcohol
- 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 among 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 \$100 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 Board is responsible for the governance of Rest.

The Board has established a number of Board committees and delegated appropriate authority to those committees to help with its work. Board committees monitor and review the areas of their responsibility.

The Board committees are described below.

The **Board Investment Committee** (BIC) reviews and recommends to the Board the investment strategy; monitors the performance of investment classes, key property and infrastructure investments; and implements Rest's investment policies.

The **Audit, Risk and Compliance Committee** (ARCC) assists the Board in fulfilling its risk management, risk culture, compliance and audit responsibilities. 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 Fund's financial statements each year before they are presented to the Board.

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

The **People, Culture and Remuneration Committee** (PCRC) assists the Board in carrying out its responsibilities in relation to 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) oversees and facilitates the implementation of Rest's business plan and the execution of business operations, including monitoring and reporting to the Board.

The ELT comprises the Chief Executive Officer; Chief Investment Officer; Chief Financial Officer; Group Executive, Product & Operations; Group Executive, Risk & Governance; Group Executive, Member Engagement; Group Executive, Employer & Industry Engagement; and Group Executive, Innovation & Transformation.

The ELT meets regularly, and with reference to the relevant charters, refers matters to the Board and/or other relevant Board committees. Business line management and staff members report to the ELT on operational matters.

Rest uses a number of service 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.

## Amendments to Rest's Trust Deed

Rest amended its Trust Deed as at 28 April 2021 to reflect changes to superannuation legislation.

The amendments are as follows:

- Clause 12 of the Trust Deed relating to contributions was replaced with a new clause permitting the Trustee to accept any contributions, rollovers and transfers permitted under the *Superannuation Industry (Supervision) Act (SIS) 1993*
- The definition of 'Complaints Act' was removed and replaced with a new definition of 'External Disputes Resolution Scheme' to cover both the Australian Financial Complaints Authority (AFCA) and the Superannuation Complaints Tribunal (SCT). This also replaces references to the SCT throughout the Trust Deed. In addition, Clause 6.4, which referred to SCT arbitrations, is redundant and has been removed.

# Executive Leadership Team



**Vicki Doyle**  
Chief Executive Officer

Vicki joined Rest as Chief Executive Officer in May 2018, bringing more than 20 years' senior executive leadership experience in superannuation, life insurance, wealth management and banking. Vicki is passionate about simplifying and demystifying superannuation to help all Australians achieve their best retirement outcomes.

She holds an Executive MBA from the Australian Graduate School of Management and a diploma from the Australian Institute of Company Directors.

Vicki has served as an Executive Director on Trustee Boards. She is also a Non-executive Director of the Australian Council of Superannuation Investors and SuperFriend.



**Kulwant Singh-Pangly**  
Chief Financial Officer

Kulwant joined Rest in June 2021 and is responsible for financial management and strategy, and taxation.

He has more than 25 years' experience in the investment management, superannuation, insurance and banking industries, particularly in the financial management of a large-scale superannuation fund. He worked for QSuper from 2011 to 2020, including as Group Chief Financial Officer for five years from 2014. Prior to that, he was QSuper's Head of Taxation Services. He has also held full-time roles with the AMP Group, Clayton Utz and Deloitte, and has consulted widely to leading industry players in superannuation, investments, aged care and non-bank lending.

Kulwant holds a Master of Taxation from the University of New South Wales, and a Bachelor of Business and Bachelor of Laws (Honours) from the Queensland University of Technology. He is a Fellow of the Australian Institute of Company Directors and CPA Australia, and is a Chartered Taxation Advisor with the Taxation Institute of Australia.

He has held a number of board and committee positions, including directorships of various QSuper investment company boards, and was a member of QSuper's Investment Committee and Audit and Risk Committee from 2014 to 2019.



**Andrew Lill**  
Chief Investment Officer

Andrew joined Rest in August 2020 and is responsible for managing the full suite of Rest's investment products and their outcomes for our members.

The Rest investment team is a fully integrated, best-practice, multi-asset investment team blending portfolio construction, investment operations and external investment management capabilities. It sources investment management expertise from around the world, and has a talented team of internal portfolio managers. The team has members in Rest's Sydney and Melbourne offices, and has grown by more than 40 per cent since Andrew joined Rest.

Before joining Rest, Andrew was the Chief Investment Officer at Morningstar Investment Management, based in Chicago. From 2018, he oversaw the company's US\$25 billion Americas mutual fund and managed portfolio operations. Andrew was Chief Investment Officer of Morningstar's Asia Pacific business from 2014 to 2018.

He was Head of Investment Specialists & Investment Solutions at AMP Capital from 2009 to 2013, and led Russell Investment's consulting business in Asia Pacific from 2005 to 2009.

Andrew has a Master's degree in economics from Cambridge University. He has also completed a Fellowship, Actuarial Science, at the UK Institute of Actuaries, and the Executive Course at the Australian Graduate School of Management.

Prior to his business career, Andrew represented England at the 1994 Commonwealth Games, in track athletics.

**Deborah Potts**

Group Executive, Employer & Industry Engagement

Deborah joined Rest in 2015 as National Manager, Advice, and served as Head of Advice and Education from March 2017. In May 2018, she was appointed as interim General Manager Brand, Marketing and Communications, before taking on her current role in November 2018.

She has extensive experience working with board, executive and professional teams on customer experience strategies in the financial services and superannuation industries. Before joining Rest, she worked at BT Financial Group and AMP Corporate Super.

Deborah holds a Bachelor of Economics and Accounting from Macquarie University.

**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 role encompasses strategy and planning, technology, innovation, enterprise delivery, data governance, and people and culture.

Jeremy has more than two decades' experience in innovation and technology roles across corporate, SME and consulting organisations. He joined UBank in 2008 and was part of the bank's executive team from 2015 to 2019. Immediately before joining Rest, he was UBank's General Manager, Digital & Innovation.

Jeremy was previously Head of IT for fintech startup Once Australia, and worked in consultancy roles for Capgemini, Morse and Oracle Corporation.

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

**Tyrone O'Neill**

Group Executive, Member Engagement

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

He 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 and Computer Science from the University of Sydney.



**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. He previously served as Head of Product and Operations in NAB Wealth's Corporate and Institutional Wealth division, and has held superannuation operations roles at Colonial First State and other providers. He has also held consulting and advisory roles, including with technology consultancy firm Wipro. He was a trustee director of the Commonwealth Bank of Australia's Officers' Superannuation Fund from November 2007 to April 2008, and is currently a director on the board of the Australian Institute of Superannuation Trustees.

He is a fellow of the Association of Superannuation Funds Australia. He 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.



**Gemma Kyle**  
Group Executive,  
Risk & Governance

Gemma was appointed as Chief Risk Officer in November 2018 and is responsible for the risk, compliance, legal, audit, security and company secretariat functions.

Gemma has more than 20 years' experience in risk management and governance, working across the Federal Government, engineering and financial services sectors. Prior to joining Rest, she worked on the separation of MLC Life Insurance from NAB, and established MLC Life's first-line risk, compliance and financial crime capabilities.

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

## Departing



**Trevor Evans**  
Group Executive,  
People, Finance  
& Change

Trevor joined Rest in August 2014 and was appointed as Group Executive People, Finance & Change in February 2020. He was responsible for Rest's culture and change management; learning and development; human resources; internal communications; financial strategy and management; and accounting, payroll and taxation functions.

He has more than 30 years' experience in human resources, having previously worked at Suncorp, ING, Tourism Australia, the Australian Securities and Investments Commission, and in federal and state government administration. Trevor holds a Bachelor of Arts (Honours) in Sociology from the University of NSW and a Master of Business Administration from the University of New England.

Trevor retired from Rest in August 2021.



**George Zielinski**  
Interim Chief  
Investment  
Officer

George was appointed as Rest's interim Chief Investment Officer in August 2019, as part of the integration of Rest's wholly owned investment management arm, Super Investment Management (SIM), into the fund's internal investments team. George established SIM when he joined Rest in 1997.

Before joining Rest, George was Head of Investment at Victorian Funds Management Corporation. He has also held executive positions, including Treasurer and Manager Strategic Planning, with the State Electricity Commission of Victoria and its successors, and he sat on the Trustee Board and chaired the Investment Committee of VEI Super (now EquipSuper).

George retired from Rest in August 2020.



# 08

## Financial Statements 2020/21



Jeff and Sylvia,  
Rest members

# Financial statements

The abridged financial statements below are extracts from the Rest financial report for the year ended 30 June 2021. 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](http://rest.com.au/annualreport) or write to us at Rest, PO Box 350, Parramatta NSW 2124.

## Income statement

	2021 (\$ million)	2020 (\$ million)
<b>Superannuation activities</b>		
Investment income	1,901	1,853
Changes in assets measured at fair value	8,633	(2,476)
Other investment income	4	13
<b>Total superannuation activities income</b>	<b>10,538</b>	<b>(610)</b>
<b>Less</b>		
Investment expenses	206	281
General administration expenses	206	234
<b>Total expenses</b>	<b>412</b>	<b>515</b>
<b>Results from superannuation activities before income tax expense</b>	<b>10,126</b>	<b>(1,125)</b>
Income tax (benefit)/expense	880	(235)
<b>Results from superannuation activities after income tax expense</b>	<b>9,246</b>	<b>(891)</b>
Less: Net benefits allocated to members' accounts	(9,155)	806
<b>Operating result after income tax</b>	<b>91</b>	<b>(85)</b>

## Statement of changes in member benefits

	2021 (\$ million)	2020 (\$ million)
<b>Opening balance of member benefits</b>	54,485	55,706
<b>Contributions</b>		
Contributions by employers	5,027	4,719
Contributions by members	684	549
Rollovers	985	1,499
Income tax on contributions	(747)	(614)
<b>Net after-tax contributions</b>	<b>5,949</b>	<b>6,153</b>
Benefits to members and beneficiaries	(4,885)	(6,245)
Insurance premiums charged to members' accounts	(423)	(642)
Income Protection benefits to members	(161)	(137)
Income Protection benefits from insurer	161	137
Insurance benefits credited to members' accounts	264	321
Net benefits allocated to members' accounts	9,155	(806)
<b>Closing balance of member benefits</b>	<b>64,543</b>	<b>54,485</b>

## Statement of financial position

	2021 (\$ million)	2020 (\$ million)
<b>Securities</b>		
Australian listed shares	18,360	10,714
Australian bonds	2,587	4,312
Discount securities	3,180	3,167
Overseas listed shares	18,337	14,381
Overseas bonds	1,251	2,578
<b>Other</b>		
Unlisted unit trusts	19,961	15,298
Derivatives	286	836
Cash/other	2,581	3,383
Direct property	-	858
<b>Total investments</b>	<b>66,543</b>	<b>55,527</b>
Other receivable	398	329
Other assets	68	80
<b>Total assets</b>	<b>67,009</b>	<b>55,936</b>
<b>Less</b>		
Liability for taxation	1,488	625
Derivatives	425	286
Other liabilities	213	292
<b>Total liabilities</b>	<b>2,126</b>	<b>1,202</b>
<b>Net assets available for member benefits</b>	<b>64,883</b>	<b>54,733</b>
<b>Less reserves</b>	<b>(340)</b>	<b>(248)</b>
<b>Closing balance of member benefits</b>	<b>64,543</b>	<b>54,485</b>

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 2021, the total reserves were valued at \$340 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 to fund insurance and administration payments. Rest currently has adequate provisions in its reserves.

The financial statement of changes to Rest's Group Life Insurance Reserve are included on page 76.

## 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. No adjustment was required during the year.

### Movement in Rest's reserves

Year	\$ million
2019	(85)
2020	(84)
2021	92

# 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 (for example, members of Rest Super, Rest Corporate or Rest Pension) are recovered from the members in those groups, usually from the member fees.

Only members who have insurance pay for the costs associated with our insurance offering. Insurance premiums are based on the premium rates charged by the insurer to cover the cost of paying out claims. Insurance premiums are deducted from members' accounts.

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 members. We also seek feedback from our members on the insurance offerings we make available.

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

### Our premium adjustment arrangements

Rest operates a Premium Adjustment Model (PAM) with its primary life insurer, TAL Life Ltd (TAL). This model covers the current insurance arrangements with TAL and helps Rest set insurance pricing with TAL. It enables us to stabilise the level of premiums our members pay for insurance, which are directly based on the insurance claims we pay out to our members.

The premiums our members pay for insurance are based on our current and historical claims experience - the amount of claims we have paid out to our members in the past for sickness, injury or death. The premiums paid cover the cost of paying out these claims as well as the direct costs of managing our insurance administration.

Premiums are reviewed annually under the PAM arrangement, which means members are less likely to see big changes in premium rates. If premiums do need to increase, Rest will attempt to limit any increases to members.

Rest's Group Life Insurance Reserve is managed in accordance with the Fund's Reserving Policy. This insurance reserve is used to cover the cost of managing our insurance administration and for the benefit of insured members of Rest through reductions in future insurance premiums. Every year, Rest reviews its insurance strategy and the Insurance Reserving Policy, to determine whether any changes should be made. This includes adequacy of reserve levels, impact on future insurance premiums and whether any distribution of excess is possible.

#### Statement of changes in Group Life Insurance Reserve 2020/21

	\$
<b>Opening balance as at 1 July 2020</b>	<b>28,824,219</b>
Reserve earnings	5,718,108
Net transfers to reserve	459,513,774
Net transfers from reserve	(434,111,125)
<b>Closing balance as at 30 June 2021</b>	<b>59,944,976</b>

The transfers from the reserve primarily relate to group life insurance premiums paid to external insurers and expenses relating to the provision of insurance administration.

## Trustee insurance

The Fund, the directors and the officers of the Trustee are covered by Fraud Insurance, Professional Liability Insurance, and Directors and Officers Liability 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

Link Group

## Credit manager

Industry Funds Credit Control Pty Ltd

## Custodian

State Street Australia Limited

## External auditor

PricewaterhouseCoopers for financial year 2020/21

Deloitte for financial year 2021/22

## Group life and income protection insurance

TAL Life Ltd

AIA Australia Ltd

Hannover Life

## Internal auditor

KPMG

## Investment consultant

JANA Investment Advisers Pty Ltd

## Legal advisers

Allens

Arnold Bloch Leibler

Clayton Utz

Gadens

Gilbert and Tobin

Hall & Wilcox

Herbert Smith Freehills

Hogan Lovells

King & Wood Mallesons

Kirkland & Ellis

MinterEllison

Squire Patton Boggs

Turks Legal

Willkie Farr & Gallagher

## Tax agent

PricewaterhouseCoopers



## Employers in arrears

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

During 2020/21, Rest referred a number of employers\* to Industry Fund Services Ltd (IFS). IFS collected \$3,640,094 in arrears from employers for payment to Rest members. As at 30 June 2021, some employers were still in arrears by at least 90 days. Legal action may be initiated where contributions remain unpaid after IFS contacts the employer.

## 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 has departed Australia or their temporary visa has expired, the Australian Taxation Office (ATO) can require that their superannuation fund transfer their super to the ATO as unclaimed moneys. The temporary resident can then claim the money from the ATO.

If Rest is required to transfer a member's superannuation benefit to the ATO, relying on Australian Securities and Investments Commission (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](https://rest.com.au)

## Unclaimed and lost member accounts

In some circumstances, Rest will treat your account balance 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](https://ato.gov.au) for more information.

## Inactive and low-balance accounts

Accounts that have a balance of less than \$6,000, have no insurance, and have not received a contribution in 16 months will be transferred to the ATO unless one of these actions occur in that 16-month period:

- The member elects to retain the account
- The member changes investment options
- The member elects to maintain insurance
- The member changes their insurance coverage
- The member makes or amends a binding beneficiary nomination.

Once Rest transfers the balance of any inactive and low-balance accounts 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.

See [ato.gov.au](https://ato.gov.au) for more information.

## If you need us to do better

We are committed to acting with honesty and integrity every time. If we do not meet your expectations, we want to know. Our complaints management process means your concerns will be treated seriously and addressed fairly and promptly.

## Have concerns? We're here to help

Talk to us first if you have a concern. We will work with you to try to solve your problem straight away.

If you are not happy with how we handle things, or we cannot resolve your concern quickly, we will recognise your matter as a formal complaint. Our complaints team will independently review your matter fairly and objectively.

## How do I make a complaint?

You can also make a formal complaint by contacting us. We will acknowledge your complaint within one business day.

- Email [contact@rest.com.au](mailto:contact@rest.com.au) with the subject line 'Complaint'
- Call us on 1300 300 778 between 8 am and 10 pm AEST, Monday to Friday
- Talk to us via live chat at [rest.com.au/contact-us](https://rest.com.au/contact-us)
- Lodge your complaint by mail:

### The Trustee Services Officer

Rest  
PO Box 350  
Parramatta NSW 2124

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

## Our complaints process

We will aim to resolve your complaint within 45 days, or within 90 days if your complaint is about a death benefit distribution. Sometimes it might not be possible to completely resolve your complaint in that time. If it looks like we can't resolve it in this time, we will let you know, and tell you the reasons why it's taking a little longer.

No matter how long it takes us to make a decision about your complaint, we will always let you know the reasons for that decision.

If you are not satisfied with how we are handling your complaint, or you do not agree with our decision, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA).

## Who is the Australian Financial Complaints Authority?

AFCA provides a free, independent dispute resolution service. It will try to resolve any differences or make a binding ruling if necessary. There may be time limits, depending on the type of complaint, so it is important to contact AFCA promptly.

- Email [info@afca.org.au](mailto:info@afca.org.au)
- Call 1800 931 678
- Visit [afca.org.au](https://afca.org.au)

You can find out more about our complaints management process and how to lodge a complaint at [rest.com.au/complaint](https://rest.com.au/complaint)

## 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

## Rest Super and Corporate

- ☎ **1300 300 778**  
Monday to Friday,  
8am-10pm AEST
- ✓ **Roger** (24-seven)
- 💬 **Live Chat**  
Monday to Friday, 8am-10pm  
Saturday, 9am-6pm  
Sunday, 10am-6pm AEST

## Acumen

- ☎ **1300 305 779**  
Monday to Friday,  
8am-6pm AEST
- ✓ **Roger** (24-seven)
- 💬 **Live Chat**  
Monday to Friday, 8am-10pm  
Saturday, 9am-6pm  
Sunday, 10am-6pm AEST

## Rest Pension

- ☎ **1300 305 778**  
Monday to Friday,  
8am-6pm AEST
- ✓ **Roger** (24-seven)
- 💬 **Live Chat**  
Monday to Friday, 8am-10pm  
Saturday, 9am-6pm  
Sunday, 10am-6pm AEST

Download the Rest App now



App Store is a trademark of Apple Inc.  
Google Play™ store is a trademark of Google LLC.

🔗 [rest.com.au](https://rest.com.au)

Rest