MEMBER QUESTIONS AND ANSWERS FROM THE 2022-2023 ANNUAL MEMBERS' MEETING

Held at 7.00 PM (AEDT), 27 November 2023, via video conference

A recording of the meeting can be found at rest.com.au/about-rest/annual-member-meeting

Contents

Please note the following questions and answers relate to the financial year ending 30 June 2023. To protect personal and sensitive information in line with our Privacy Policy, some questions have been modified slightly.

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Please remember investment returns are not guaranteed and past performance is not a reliable indicator of future returns.

General advice

How can I retire when my balance keeps going down?
[Rest CEO Vicki Doyle answered this member question live during the meeting]

Well, thank you, for that really important question. And you're right, it's actually been a really challenging start to the financial year. Returns have been in both the positive and negative territory, swinging from month to month. And if you're close to retirement, it's actually a really challenging time. Your balances may be going up and down. And that contrasts quite starkly to the end of the financial year, 30 June last year, which is, or this year, was around 9.26% return if you're invested in the Core Strategy. So, thinking about circumstances for people who are close to retirement or getting starting to think about it, probably the best thing to do is to think about some financial advice. You can talk to our Rest financial advisors. We also have digital advice tools online and they can really help you with some strategies such as, which investment option you might like to be in as you are getting closer to retirement. They can talk to you about transition to retirement type strategies. You might want to look at your insurance. So there's a range of things that they can provide you with and I'd strongly suggest that you give our Rest financial advisors a call.

With the unaffordable cost of living and unattainable house prices in Australia, how is Rest ensuring that coming retirement, members actually can comfortably retire with their superannuation funds?
[Rest CEO Vicki Doyle answered this member question live during the meeting]

Yes, it is a really challenging period at the moment and the cost of living is really impacting all Australians in a variety of different ways, and particularly if you're heading in closer to retirement and the volatility of investment in global markets, it's quite a challenging period. I guess from my perspective, every person's circumstance is different. Your balances, your years to retirement, your risk profile, how much you've already saved, perhaps your debt, mortgages and all of those sorts of aspects make up everybody's financial future in quite a different way. And so, again, like I said earlier, I think the very best way to secure your retirement is really to talk to somebody, a Rest financial advisor about your particular circumstances and how you might be able to maximize your savings by extra contributions or, as I said, different investment options, having a look at your insurance, thinking about how long you've got to your retirement. Making sure you're particularly in the right investment option can make a big difference depending on how long you've got to go till you retire. So I would really encourage that people don't feel like there isn't anything you can do about retirement. You can talk to a Rest financial advisor usually at no additional cost and book an appointment and talk over the phone and really set up the right investment option and retirement product for you. So that would be my suggestion.

Will my super affect my pension or not?
[This member was contacted privately for a personalised response. This response is provided in relation to the Age Pension]

Provided you have reached the Age Pension age, you may be eligible for the Age Pension even if you have super savings. Centrelink requires you to provide key details to assess your eligibility, which includes an income test and an assets test.

However, everyone's circumstances are different and depend on your personal situation. You can contact Rest Advice on 1300 183 361 to talk to our friendly team about your personal situation.

If I move from Australia to America say, will my account still work?
[This member was contacted privately for a personalised response.]

If you are an Australian citizen or permanent resident, then your super account should continue to operate as normal while you're living abroad. This means that your super balance will still be invested and fees will continue to be charged. If you are in pension phase, nothing about your account will change as long as you maintain an Australian bank account.

However, your balance may be transferred to the ATO in certain circumstances. Check the ATO website for more information on this. You can also speak with a Rest Customer Service Consultant on 1300 300 778 for further assistance.

1. **I would like to know why we cannot withdraw money from our super after 60? This is my money and I have a right to access that as a single income earner over 60.**
2. **I am not working anymore and on a pensioner concession card. I just wanted to know how and when I can get access to any or all super?**

[These members were contacted privately for a personalised response.]

In order to become legally eligible to access your super, members must meet a condition of release under Australian law. Common conditions of release include:

- reaching preservation age and retiring
- reaching preservation age and beginning a transition-to-retirement income stream
- ceasing an employment arrangement on or after the age of 60
- turning 65 years old (even if you haven't retired).

Your preservation age depends on when you were born. You can check your preservation age and find more information on the ATO website.

Generally, if a member is still working for an employer after reaching their preservation age, then a Transition to Retirement Pension (TTR) may be an option to access their super as regular payments. You can find out more at https://rest.com.au/retirement/transition-to-retirement

In certain limited circumstances, a member may be eligible to access at least part of their super before they reach preservation age. You can read more about accessing your super early on the ATO website: https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/withdrawing-and-using-your-super/super-withdrawal-options.

When considering options to withdraw your super, we recommend you seek financial advice. Rest Advice is here to help you make the most of your retirement and find the right option that will suit your personal circumstances. Find out if a TTR account or another option is right for you by calling us on 1300 183 361.

What determines whether you get paid income protection?
[This member was contacted privately for a personalised response.]

You may be able to claim an Income Protection (IP) benefit if you have stopped working or are unable to work at full capacity in your usual job due to an injury or sickness for a prolonged period. For further information, please visit https://rest.com.au/insurance/understanding-insurance or contact 02 8571 6977 for any insurance enquiries.

Hi, I am Rest super member since 2017, actually I want to add some extra funds like 5% or 10% by myself in every month saving amount of money. So, what is the procedure of this can you please guide me about this issue?
[This member was contacted privately for a personalised response.]

Adding additional contributions to your super can be easy and there are various ways you can make these contributions, with corresponding rules and processes.

Some of the ways you can make voluntary additional contributions to your super include:

- BPAY – make payments direct from your bank account
- Direct Debit – via your bank account. You can set this up in the Rest App or your MemberAccess profile online
- Payroll deduction – you can ask your employer to make payments from your after-tax pay.

You can also add additional funds to your super beyond what your employer pays by salary sacrificing. Typically, you'll need to contact your employer and let them know how much you want to contribute from your salary each time you get paid. Salary sacrifice contributions are generally taxed at 15% which can be less than your normal income tax rate*.

The Contributions Optimiser tool is available to members in your position who want quick and easy advice about how they can contribute to their super. As a Rest member, you can use the Contributions Optimiser tool here, at no additional cost: https://rest.com.au/tools-advice/advice/contributions-optimiser

We do also recommend you speak with Rest Advice to understand what type of contribution is right for you. Simple advice on your super account is provided to our members at no additional cost. . There will be additional costs for more complex advice, but we'll always talk to you about this fee first. You can contact 1300 183 361 to have a chat.

*Tax treatment of super is complex and may change. Any tax related information is general information only. Preservation rules prevent a person from accessing their super until they meet a condition of release (i.e. reach your preservation age and retire). It's important to remember that you should consider your circumstances and objectives before adding to your (or your spouse's) super. We recommend you seek advice from an accountant or a licensed financial adviser.

My friend said "if you transfer from bank account $20,000 to Super account, Government will match your $20,000". Is this correct information?
[This member was contacted privately for a personalised response.]

Depending on your income and personal circumstances, if you make after-tax contributions to your super (also known as voluntary contributions) and satisfy the eligibility criteria, you may be eligible to receive a co-contribution from the government.

The amount of the co-contribution depends on a number of factors including your income and how much you contribute. You can read more about the government's co-contribution scheme here: https://rest.com.au/tools-advice/learning-centre/super-tips/government-co-contribution

You can contact Rest Advice on 1300 183 361 to help you better understand how voluntary contributions could work for you and your personal retirement and financial objectives.

1. **If I retire next year at the age of 68. What happened to my Super when I turned 70 years old?**

[This member was contacted privately for a personalised response.]

Your super will not change just on the basis of you turning 70. However, it is important to note that insurance cover at Rest generally automatically ends at age 70.

Considering you are over the age of 65, you have the choice to set up an income stream from your super through an account-based pension.

An account-based pension allows you to withdraw regular payments from your super to help meet your income needs, rather than withdrawing your total balance all at once. This also means the remaining amount of funds in your super account will continue to have the opportunity to grow.

An account-based pension also offers some flexibility in how much you can withdraw and when you receive payments (such as lump sums).

Our members can contact Rest Advice on 1300 183 361 for personal advice about options in retirement. Please note, an account-based pension may impact your government aged pension entitlement or other income support payments. Our Rest Advisers can help you understand the finer details.

Where can I get my 2022 and 2023 tax return from?
[This member was contacted privately for a personalised response.]

You can find information about lodging your tax return from the Australian Taxation Office at: https://www.ato.gov.au/individuals-and-families/your-tax-return

If you are looking for information about your super contributions and payments, you can find this in your Rest Annual Statement.

Your Rest Annual Statement for 2022-2023 (as well as the year prior) is available to view in MemberAccess: https://rest.com.au/super/onlineaccount and the Rest App. If you have chosen to receive your statement by post you should have received a printed copy. You can still view a copy of this via MemberAccess or in the Rest App.

Please contact us on 1300 300 778 if you need any further information.

1. To whom it may concern. I have now retired and wish to close my account. How do I go about this?
2. Also wondering how one would apply to remove some funds from the account if possible.
[These members were contacted privately for a personalised response.]

If you have reached 'preservation age' and retired, then you meet a condition of release. In this case, you are able to close your account by withdrawing your total super balance.

However, we do recommend that all our members consider the options available to them in retirement. Withdrawing your total super balance is just one of several options available to you in retirement.

If you have retired, you can apply to make a full or partial cash withdrawal of your super. You can contact Rest Advice on 1300 183 361 for personal advice on how to withdraw your super. You can also find more information and resources about options in retirement on our website here: https://rest.com.au/retirement

If you have not yet retired, you might be able to access your super early in limited circumstances. In these circumstances there are key eligibility requirements that must be met. You can contact our Rest Advice team for further information.

My question is when my income protection payments come to an end, I will have no income. What is my next option?

You may be able to access your super early in limited circumstances. Please refer to the ATO website for more information.

If you are 60 years old or over and retired, you may be able to access your super as a lump sum payment or set up a Rest pension account. Please contact the Rest Advice team on 1300 183 361 for personal retirement related advice.

What do you want me to do to keep my insurance active?

Under the Government's Protecting Your Super reforms, super funds are required to cancel insurance when an account has been inactive for more than 16 months. Rest has reduced the inactivity period from 16 to 13 continuous months for our members.

An inactive account means we haven't received any money in the member account within the last 13 continuous months or the member has not told us that they want their insurance cover to continue.

We contact our members when their accounts have been inactive for 6, 9 and 12 months, so they have an opportunity to choose to keep insurance cover.

If you need further information or help to keep your insurance cover active on your member account, contact Rest Advice on 1300 183 361.

Do you have anything planned for recording this online session. I am unable to attend.

Our Annual Members’ Meeting for 2022-23 was recorded and uploaded to our website (https://rest.com.au/why-rest/about-rest/annual-member-meeting) shortly after the event.

If you were unable to attend, you can view the recording online in your own time.

Investments

Why Rest?

How does a member differentiate the Rest investment team from the other major industry funds? What do you consider to be the Rest investment team's competitive advantages?
[Rest CIO Andrew Lill answered this member question live during the meeting]

Rest absolutely is committed to delivering strong, long-term returns that competitively beat others in the Australian marketplace. And we think very carefully about our unique member profile, about how we approach that long term challenge. I would say three things are going to differentiate us that I believe are going to be better at Rest than other super funds in Australia. We are investing multiyear in a technology and data strategy that can support our internal investing team. We have great people, they need great analytics and they need access to great trading to be able to compete and deliver the returns that we have as targets for them. Number two, we believe that by working closely with Best Practice Global Partners on Responsible Investing, we can drive long-term returns and also make sure that the scale of what we're doing in responsible investing really hits home and drives impact. Not just on climate, but also on topics such as social equality. And third, diversity in our investment team is absolutely paramount. The research shows that diverse investment teams, where diversity, equity and inclusion is paramount, drives better returns. And by thinking about getting the best talent we possibly can from our core locations of Sydney, Melbourne, Brisbane and London and making sure that they all have an opportunity to participate in our investment program, I'm very, very confident that we're going to deliver those competitive returns that we're after. So it's my commitment to you, and other members, that by doing these three things and then packaging it together in a whole-of-fund solution, we're going to drive those best-in-class member returns going forward.

Performance

Both my Accumulation Fund and my Pension Fund at REST are 100% allocated to High Growth. For the year to 30/6/2023, the former had investment earnings of 13%. The latter had investment earnings of 10.8%. Shouldn't they have the same % earnings?

The High Growth Accumulation option returned 12.07% for FY23, whilst the High Growth Pension returned 13.23% over the same period. The difference between returns is tax treatment. Returns are net of investment fees and tax, except Pension which is untaxed.

What percentage are you presently paying on cash deposits?

The Rest Super Cash option returned 1.87% p.a. for the month of November 2023. The return for the 12 months to 30 November 2023 was 3.62%.*

Rest's Super Cash option is a portfolio of securities that deposits with major Australian banks. The portfolio currently invests exclusively into deposits with ANZ (60%) and NAB (40%). Rest offers a range of investment options, each with a different level of risk and potential return. To see Rest's super investment options and their investment performance go to: https://rest.com.au/investments/options

*Source: Rest, 30 November 2023. Returns are net of investment fees and tax, except Pension which is 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. Past performance is not an indicator of future performance. Investment returns are only one factor to consider when deciding how to invest your super.

Will there be a feature to see what the performance of our individual super balances were between certain dates? Searching the unit price differences on your site is not a true performance as that is time-weighted not money-weighted, which would impact the return.

We don't currently have any immediate plans to provide unit prices that are money-weighted.

You can see the return for the year for your whole account on your Annual Statement. Unfortunately, we do not currently show this return by individual investment option.

What's the projected percentage payment for core strategy this financial year?

Financial markets can be unpredictable at the best of times, and so it is difficult to forecast returns, just as it is challenging to predict or time the market. At Rest, we aim to help our members achieve their personal best retirement outcome. For the Core Strategy, this means our objective is to deliver CPI + 3% pa returns over the long term by investing in a broad range of growth and defensive assets.

While past performance is not an indicator of future performance, long-term our Core Strategy has exceeded its objective returning an average return of 7.20% per year for the 10 years to 30 June 2023 and 7.65% per year for the 20 years to 30 June 2023. In FY23, the Core Strategy's return at 9.26%, was higher than these long-term 10- and 20-year averages.

We believe that by constructing well diversified portfolios and having a longer-term investment horizon, we remain well positioned to continue delivering on Core's performance objective.

1. **When will REST return to being in the top 5 performing Super/Pension fund?**
2. **When we will see REST super returns back up to market leading performers?**

When deciding on how to invest your super, it's important to keep in mind that rankings from different comparator services may use varying factors and methodologies. Without more information about the investment timeframes and specific fund comparison lists being referred to, we're unable to comment on this specifically.

For investment returns, while past performance is not an indicator of future performance, you should consider longer-term returns in addition to shorter-term performance. As at the end of FY23, Core Strategy's investment performance over longer-term 15 and 20-year measures was above the industry median and among the top-10 of all funds during the respective periods (according to the SuperRatings SR50 Balanced (60-76) Index as of 30 June 2023).

Financial markets can be unpredictable at the best of times, and so it is difficult to predict Rest's future investment performance as well as how this will compare to other funds. However, our primary focus with the Core Strategy is to deliver CPI + 3% pa returns over the long term by investing in a diverse range of growth and defensive assets. We believe that by constructing well diversified portfolios and having a longer-term investment horizon, we are well positioned to continue delivering on this objective. While past performance is not an indicator of future performance, long-term our Core Strategy has exceeded its objective returning an average return of 7.20% per year for the 10 years to 30 June 2023 and 7.65% per year for the 20 years to 30 June 2023.

Why has the High Growth Accumulated fund grown at such a minimal rate, over the last 6 months, when many shares and cash are earning good returns?

If we look at the six-month period of January 1 to June 30, 2023, the High Growth Option delivered 6.97%. For the full 2023 financial year, High Growth delivered a return of 12.07%. Over the most recent six-month period (May 31 to November 30) High Growth returned 2.22%, whilst the Cash option returned 1.95% and the Shares option returned 2.50%. The six-month performance to the end of November is lower than the June data due to a strong correction in share markets in October.

The High Growth option is diversified, with investments in bonds, alternatives, infrastructure and property, as well as a high allocation to shares. We would expect High Growth to have a lower overall return than the share market when the share market is up over the short term, due to the option's level of diversification. Looking at the longer term, High Growth has delivered an average return of 7.98% per year over a 10-year period to 30 November 2023.

Hello, on 14 November 2023 the S+P 500 increased by 1.91 %, Nasdaq increased 2.37 % and Dow Jones increased by 1.43 %. However, "Overseas Shares Indexed" on 16 November (which reflects changes on 14 November) only increased in Super by 0.42% and in Pension account

by 0.47%. "Overseas Shares" only increased in Super by 0.23% and in Pension account by 0.25%. Why is there such a big discrepancy and we are not receiving this benefit?

There are a number of factors that can cause differences between a market return (an index) and an option's return. For the day in question, the main difference in performance was currency. The returns noted for the S&P500, Nasdaq and Dow Jones listed are all in US dollars. If we convert these returns to Australian dollars, we see that on 14 November 2023, the S&P500 returned 0.35%, the Nasdaq returned 0.80% and the Dow Jones returned -0.14%. These returns are more broadly in line with the returns of Rest's options which are in Australian dollars (or "unhedged").

In addition the market returns in the question are US-only markets, whilst both of the Overseas Shares options are managed to a broader global share market index (the MSCI World Index). As a result, while we would expect the returns of the Overseas Shares Indexed option to be influenced by the returns seen in US market indices, there are other global markets that impact the options' returns.

Can you please explain why Pension returns are lower than accumulation returns when funds have a negative return period. I assume it has to do with taxation.

You are correct, this is due to the difference in tax treatment for accumulation and pension funds. Returns provided are net of investment fees and tax, except Pension which is untaxed. If investment returns are negative over a certain period, the loss incurred by a pension fund may be greater compared to an accumulation fund in the same investment option. The reason for this is that, in cases of negative absolute returns, the accumulation fund may receive a tax benefit that the pension fund does not receive due to its distinct tax treatment.

How does Rest's investment performance for 2022-23 for its core and balanced options compare to similar options of other major industry super funds?

Core Strategy achieved a 9.26% return for the year ending on 30 June 2023, surpassing the industry median of 9.05% according to the SuperRatings SR50 Balanced (60-76) Index. The Balanced option's performance was in line with the industry median of 6.93% for the financial year ending 30 June 2023 based on the SR25 Conservative Balanced (41-59) Index.

It is worth noting that asset allocations vary across the industry, so performance rankings can differ depending on the time frame and the performance of different asset classes. Therefore, it is important to consider longer-term returns in addition to shorter-term performance as there is generally more volatility across shorter-term performance figures. Core Strategy has exceeded its objective over the long-term, returning an average return of 7.20% per year for the 10 years to 30 June 2023 and 7.65% per year for the 20 years to 30 June 2023. The Balanced option has exceeded its objective over the long-term, returning an average return of 5.98% per year for the 10 years to 30 June 2023 and 6.56% per year for the 20 years to 30 June 2023.

1. **I'm in long investment I see no any improve or growth of profit off investment**
2. **Hi, just wondering why my balance is going down?**

[These members were contacted privately for a personalised response.]

There are a number of reasons why your super balance may experience fluctuations from time to time which will depend on your personal situation and investment option/s.

If you're unsure whether you're in the right investment option for you or would like more information on the performance of your investment option, then you can contact Rest Advice on 1300 183 361 for simple advice at no additional cost.

I have super with a different super fund, is Rest performing better and if I decided to transfer all to Rest, what is involved?

Rest did achieve strong investment returns for our members across our Core Strategy and diversified portfolios in the year ending 30 June 2023 despite inflation and rising interest rates. Our Core

Strategy (Super) option returned 9.26% in FY23 while the Balanced (Pension) option returned 7.67%.*

You can read more about our FY23 performance in this investment update: https://rest.com.au/why-rest/about-rest/news/eofy-investment-update-2022-2023
You can also view our most recent and historical investment performance on our website here: https://rest.com.au/member/investments/performance

Ultimately, choosing a super fund to invest for your retirement is a personal decision. Investment returns are only one factor that you should consider when deciding how to invest your super, keeping in mind that past performance is not a reliable indicator of future performance. If you decide you want to become a Rest member, you can open an account with us here: https://rest.com.au/super/join?modal=join

*Source: Rest, 30 June 2023. Returns are net of investment fees and tax, except Pension which is 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. Past performance is not an indicator of future performance. Investment returns are only one factor to consider when deciding how to invest your super.

What investments are there to help your superannuation to perform well?

Rest offers 13 different investment options including 8 structured options and 5 member-tailored options. Each has a different risk and return profile. You can refer to our Investment Guide here: https://rest.com.au/getmedia/8f27a9fd-926e-4487-a314-e6ec5f054e87/investing-made-simple-guide.pdf

Please feel free to contact Rest Advice at 1300 183 361 to help you understand which investment option is right for you.

I've put extra money infrastructure but should I put it into extra in cash now?

How you choose to invest your super balance is a personal decision and one that should be based on your personal circumstances and goals.

Please feel free to contact Rest Advice at 1300 183 361 to help you understand which investment option is right for you.

I am very concerned with the performance of Rest over the last year and it is very concerning. I have lost confidence in your team to invest my funds. For this reason I have recently withdrawn half of my funds to self manage. I will monitor the remaining balance and if there is no sign of improvement I will then close my account.

We are sorry to hear you have lost confidence in investing with Rest.

Rest achieved strong investment returns for our members across our Core Strategy and diversified portfolios in the year ending 30 June 2023 despite inflation and rising interest rates.

Specifically, Core Strategy (default investment option for Rest Super) returned 9.26% in FY23, which is ahead of both the 10 year (7.20% p.a.) and the 20 year (7.65% p.a.) performance.

Similarly, Balanced (default investment option for Rest Pension) returned 7.67% in FY23, which is slightly ahead of both the 10 year (6.61% p.a.) and the 20 year (7.38% p.a.) performance.*

You can read more about our FY23 performance in this investment update: https://rest.com.au/why-rest/about-rest/news/eofy-investment-update-2022-2023
You can also view our most recent and historical investment performance on our website here: https://rest.com.au/investments/performance

If you would like personal advice, please contact Rest Advice at 1300 183 361. Simple personal advice about your Rest account is generally available to you at no extra cost. There will be additional costs for more complex advice, but we'll always talk to you about this fee first.

Source: Rest, 30 June 2023. Returns are net of investment fees and tax, except Pension which is 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 ten and twenty year periods are annualised returns. Past performance is not an indicator of future performance. Investment returns are only one factor to consider when deciding how to invest your super.

Outlook

With US yields moving higher and potentially staying higher for longer, typically one would expect the stock market to pullback. However, it appears the US market has continued to grind higher. Do you think this divergence will continue or will the inversion of the 2/10y yield curve break the system. Historically the bond market has generally been the lead indicator. Is it different this time?

Short term interest rates on government bonds are a close reflection of current central bank policy. While longer term interest rates, such as the 10-year government bond yield, reflect the market's expectations of where central banks will move in the future.

Yield curve inversion occurs when the interest rates on longer term government bond interest rates fall below shorter-term rates.

This often happens when a central bank hikes rates aggressively, as we have seen recently, and the market expects it will cut rates in the future. Given central banks tend to cut interest rates when the economy encounters difficulty, an inverted yield curve has been considered to be a reasonably accurate recession signal.

The yield curve has been inverted in the US since 2022 but is not inverted in Australia. Many commentators have argued that this inversion implies the US is headed for a recession.

While we remain vigilant of the risks that economic growth across the near future may be below average, the inverted yield curve does not necessarily mean the US economy will fall into recession.

The Covid-19 pandemic caused dramatic changes for households via higher inflation, labour market imbalances and increased household savings. This higher rate of savings has allowed consumers to keep spending and the unusual economic impacts of Covid-related policies may have changed traditional economic relationships.

Many homeowners in the US are also locked into long-term fixed rate mortgages, so recent interest rate hikes should have less impact on consumers, and therefore the US economy, than rate hikes in Australia.

Finally, the US government continues to spend more than it receives in taxes and this fiscal deficit may, to an extent, offset the economic impact of recent rate hikes.

Have we peaked with the troubled interest rates, and now is the time to invest more rather than spending on travel?
[Rest CIO Andrew Lill answered this member question live during the meeting]

This is definitely the question of the moment. I can't really comment on where you should spend your money but I think in terms of interest rates I'm not sure that we've peaked just yet, but I would say that I believe the majority of the interest rate rises are behind us. Obviously, in Australia it's been a very difficult time where we've seen 13 successive rate rises from May 2022. And I think that both here in Australia and in the US and in parts of Europe, inflation is definitely coming down, although it's not yet in the band that the central banks have set for their long-term targets. So I think it really depends from here on where consumer spending, where government spending and demand and supply for goods sort of settles. So I don't think we've quite reached peak interest rates around the world and here in Australia, but I think we are very close to that point and the important thing to say is that investment markets always tend to look forward and even at the moment as we're seeing a very strong month of returns in November for investment markets, what we're starting to see is that markets are pre-empting or predicting that in 2024 rates won't be rising as much or may even in certain countries starting to be declining. So I think we're close, but we're not quite ready to sort of to bring the flag down just yet.

Do you think we are in an environment where we are at the beginning of a commodity supercycle?
[Rest CIO Andrew Lill answered this member question live during the meeting]

I think that it's been a period where the last sort of 18 months since the Ukraine crisis, conflict begun, certainly commodities have been through a strong period. In the short term, it was the more softer commodities like agriculture and then over the course of the last 12 months, oil has risen and we're starting to see China starting to demand more and more iron ore and other harder commodities from Australia as well. So a supercycle is a big word. It does tend to point to a prolonged and sustained period of growth in commodities. I do think that there are certain commodities, perhaps copper and those that are going to be very kind of involved in the transition of energy to renewables where demand is probably going to be greater than supply and that will tend to lead to that period of long, high returns for particular commodities. I think that would tend to bode well for the Australian economy. But again, certain of that linkage is tied to how fast China grows from here and there are some questions as to whether the next decade of growth will be as fast as the last decade of growth. So, all in all, I think being cautious around calling a supercycle but being invested particularly across global share markets and investing in infrastructure where commodities are certainly part of the solution is going to be a good approach to investing for the longer term for strong returns.

What is the prospect for property and what type of property do you manage?
[Rest CIO Andrew Lill answered this member question live during the meeting]

It's hard to go past sort of any conversation around investing without missing out on property. I'd say that first and foremost, when it comes to our investment portfolio we invest in all sorts of property. We invest here in Australia, we invest in our commercial office in both Melbourne and Sydney CBD. We invest in industrial sites, we invest in shopping malls. Further afield into the US, we invest in what's called multifamily housing, particularly in some of the kind of the growth states of the southwest where people are moving to. And into Europe, we've invested in some really kind of interesting industrial sites that are being renovated and replenished for a more sustainable future. As far as the prospects, I think property is going to go through a little bit of a tougher time as interest rates around the world are above 5%, or close to, in Australia. But the thing is that in many countries in which we invest, demographics are positive. Think about here in Australia and we're just sort of going through a period where immigration is at the highest it's ever been while planning laws are still taking some time to get fully joined up at the government level. And that means in my view, that particularly property that is already built or is able to be renovated quickly will continue to command a premium. And anywhere where you are in the middle of investor flow or in the middle of cities and you know, competitor places are not being built quickly, will really be of a high demand and you'll see inflation forcing sort of rents and returns that you get from property continuing to rise. So, it's probably gone from having a strong tailwind to having a few headwinds in property. But I think as long as you're in the premium places, in the premium sites around the world, we continue to see it as a very strong driver of returns in our portfolios.

What is Rest's performance expectations for this year June 30 2023 to June 30 2024?
[Rest CIO Andrew Lill answered this member question live during the meeting]

That is the big question, thanks for asking it anyway. Unfortunately, I don't sort of profess to have great prediction capability, but I would say a number of things. If you look back on the evidence of super over the last 10, 20 and over 30 years, super does deliver on producing strong, long-term returns ahead of inflation. Now, inflation has been higher than normal recently, but we've been continuing to deliver returns that are ahead of that and keeping your purchasing power as you head towards retirement high. So over the 10 and 20 years, as I mentioned earlier, our returns have been in the in the high 7% per annum. Last year was a higher year than that, over 9% so far this year as we head towards the end of this calendar year, returns are not as strong as that. They're in the positive territory but quite small. So I would say that it is going to take the investing markets a while to get used to the fact that interest rates are now at a higher level than they've been almost since the global financial crisis in 2009. And that will mean that for a while until the kind of the demand equation and supply equation around the world settles down, we're probably thinking moderate returns and that probably means mid-single digit returns is a good target to aim for this financial year.

Do you think Rest will merge with another fund?
[Rest CEO Vicki Doyle answered this member question live during the meeting]

It's an important question to ask. I guess I'd step back and say that Rest is growing very strongly. So it's important that we have scale and that's why a lot of funds merge because they need the scale to make sure they can provide the right type of services at the right price for all their members. Rest, as you know, has nearly 2 million members. So we have the scale. And not only that, we're growing very strongly so, for example, last year we had 294,000 new members join us. And effectively that means there aren't many funds out there who we would merge with that would equally bring that number of new members into Rest every year and mergers can be quite complex. So, if you were to bring two companies together, you've got to change all of the investment options, you potentially change all the insurance, you have different custody arrangements, different investment managers, different administration etc., and you can get quite caught up in synergies and rationalising those two companies for sometimes a couple of years. So, whilst Rest remains very strong, the third largest fund in Australia by number of members, our fees are still 20% lower on average than most super funds. We've got three insurance options; we're leading in our digital services. We don't think it will be in our members best interests at this time to be thinking about a merger due to all that complexity and our growth. But of course, if an opportunity arose and we thought it was in our members best interests, then we would consider it. But at this point in time, we believe that our strategy is really delivering the best that we can for our Rest members.

Investment options

The option to invest in Bonds is no longer available for new members. Is there a plan to bring this option back in a different form? And please address the recent changes to the Shares option. Why did this occur? Should we expect any further changes in the short to medium term?
[Rest CIO Andrew Lill answered this member question live during the meeting]

At Rest, the investment menu of options is first and foremost a tool to help our members make good choices and as we know, generally, when our members are faced with a complex issue, when there is a long list of options, doesn't always lead to them making the ideal choice for them. That's why for many of our default option and now structured investment options, they do include exposures to bonds and shares as part of a diversified dynamic investment mix. Now you're right, as of the 30th September of this year, we have closed the Bonds and Shares options to new members. It means that at this point, new members can't act to invest in those options as well as to take your money away from those options you have to disinvest your money completely from those options. Going forward, we are going to continue to review the investment menu. We are very much led by where we see the most demand from our members for those investment options, and we will come back to you over the course of the next financial year with how the list of options will be refined and simplified to help give the best options for you going forward.

Rest has an easy to use App that allows members to change investment options/percentages. Unfortunately this year, Rest has limited options and required members to fully divest from a strategy if changing and no longer available options. What was the reason about that and how is Rest going to be increasing personalised investment options including expanding options such as art/housing or other historically stable and large return investments?

An alternative investment option including art/housing is not being considered at this point in time.

However, Rest regularly reviews its investment menu and aims to ensure it’s meeting the needs and demands of our members. We believe that our menu offers members a range of options to meet their needs.

This year we closed the Bonds and Shares options to new members. Current members invested in the option(s) before the closure were able to remain invested, albeit with limited transactional functionality. This was due to system limitations which only allow members to fully divest from options that are closed to new members.

I am curious why Rest doesn't have the option for members not to park funds in a term deposit within Rest's fund levels, as opposed to just throwing cash at the lackluster share market.

Rest regularly reviews its investment menu and aims to ensure it's meeting the needs and demands of our members.

We believe that our menu offers members a range of options to meet member needs including a Cash option which currently invests purely in bank deposits.

While the investment returns for the Cash option are slightly lower than the rate of return currently payable for a term deposit, the Cash option provides Rest members with liquidity, meaning members have the flexibility to change their investment option at any time. This is different to a term deposit which requires you to lock in a money for a certain time period, or pay a penalty for early withdrawal.

Is there any chance of a developing markets investment option in the future?

A developing markets investment option is not being considered at this point in time.

However, Rest regularly reviews its investment menu to ensure it's meeting the needs and demands of our members. We believe that our menu offers members a range of investment options to meet our members' needs while being defined by the distinct options that our members really value and use in their investment choices.

A 3% return above inflation seems pretty poor rate of return when compared to your low cost index funds. Why are these index fund options which produce higher returns with lower fees hidden as the last couple of investment options. Why are these investment options hidden as the last options?

Rest's Core Strategy has an objective to outperform inflation (measured by the CPI) by 3% over rolling 10 year periods. This does not necessarily mean that Core Strategy can only outperform by 3% year to year. There are a number of financial years where Core Strategy has comfortably exceeded or returned below this target on a one year basis*. The purpose of using a CPI+3 benchmark is to aim to stay ahead of inflation over the long term, which helps allow our members to have a comfortable retirement.

Core Strategy is a highly diversified option, designed to weather all markets. The diversification across bonds, property, private equity and infrastructure (to name a few) helps Core Strategy perform when share markets are down. Both Overseas Shares options have performed well over FY23 as share markets were strong, however if share markets fell the option would not perform as well over the short term.

It's important to note that Rest has a range of investment options available to give our members choice. These are categorised as structured (diversified by asset class) and member tailored (not diversified so you can choose your own mix).

Core Strategy is usually listed first because it's the default investment option for many of our members. Structured options are usually listed before any of the member-tailored options. Within this category, investment options are generally listed in order of risk-return profile on our website and investment guide. The Overseas Shares options are listed last because they are member tailored options and have the highest risk-return profiles, being 100% in shares.

Rest has three indexed options - Balanced, Australian Shares and Overseas Shares. The Balanced - Indexed option is one of 7 Structured options and sits alongside the actively managed Balanced option. The Australian Shares - Indexed and Overseas Shares - Indexed are shown next to the actively managed version of the relevant option. Performance after fees of the Balanced and Overseas Shares options is higher for the Indexed versions than the active versions while the opposite is true for Australian Shares.

Which option you choose will depend on what suits your needs, whether it's low fees, sustainability or risk tolerance. Rest has a number of advice tools on our website and an advice team who can assist you if you'd like to explore some of our other options.

*Past performance is not an indicator of future performance. Investment returns are only one factor that you should consider when deciding how to invest your super.

I read that ANZ doesn't allow credit card transactions from Cuba and that has badly impacted travelers there. Why then are you using them for the 50% of your 'cash' option?

The restrictions on transactions with Cuba are not exclusive to ANZ, but rather applied across the major Australian banks. According to the Australian Government's Department of Foreign Affairs and Trade, "The United States maintains a trade embargo against Cuba. While Australia does not have any trade or economic legislation or measure that restrict or discourage trade or investment to or from Cuba, the embargo remains an impediment to bilateral trade".*

Major Australian banks, including ANZ, are required to adhere to applicable sanctions laws in all countries they operate in, which may include those enforced by the US Office of Foreign Assets Control. Consequently, these banks' sanctions policies may be impacted by the US sanctions regimes and may limit transactions involving customers located in countries subject to the sanctions, like Cuba.

Although we understand that these sanctions can be inconvenient for travelers, they are part of the wider regulatory framework that banks may be obligated to comply with.

*source: The Australian Government Department of Foreign Affairs and Trade website https://www.dfat.gov.au/geo/cuba/cuba-country-brief#:~:text=Foreign%20relations,an%20impediment%20to%20bilateral%20trade.

I hold the property option in my Rest pension account. Nowhere can I find a break-up of the percentage in the fund relating to the 3 main categories of Property i.e. Residential, Commercial and Industrial. Can you enlighten me as to those percentages? Alternatively, can you tell me what companies make up your commercial portfolio in Australia. Trusting that this question does not cause too much stress.

The holdings of our Property option (and all of our options) are available at: https://rest.com.au/investments/how-we-invest#what-we-invest-in

If you scroll down to "Portfolio holdings", you'll find each option. This information is updated semi-annually and published by 31 March and 30 September each year. While we don't release the breakdown by categories, the portfolio holdings may provide some understanding of where your money is invested.

In terms of the investment options, what would you suggest based on the past data?

Rest offers 13 different investment options including 8 structured options and 5 member tailored options. Each has a different risk and return profile. You can refer to the Rest Investment Guide for more information here: https://rest.com.au/getmedia/8f27a9fd-926e-4487-a314-e6ec5f054e87/investing-made-simple-guide.pdf

Please keep in mind that past performance is not a reliable indicator of future performance, and investment returns are only one factor that you should consider when deciding how to invest your super.

Please feel free to contact Rest Advice at 1300 183 361 to help you understand which investment option is right for you.

If I can get a 5% minimum interest rate on fixed term deposits in a number of banks at current rates, why does Rest not offer a fixed term deposit option with a comparable interest rate to effectively offer a solid guaranteed return with very little risk? E.g. if I can get this with a bank outside of super, why am I unable to get it inside of super?
[Rest CIO Andrew Lill answered this member question live during the meeting]

This is a great topic. Isn't it sort of good that, finally, you can get some good returns on investing your cash again after a long period of delivering almost nothing? You're right. It is possible to get term deposits now for individuals at 5% or even higher. The important thing to say is that those term deposits do come up, do come along with a lockup period. So, you have to invest in a term deposit for a certain amount of time to receive a return over 5%. Now Rest on its investment menu does have a cash option. The cash option currently is yielding just under 5%, 4.9%, and importantly it comes with no term to maturity or lockup period. So, you can invest in that at any point. If your situation changes or you decide to invest in different options, you can take that money out overnight and invest it. We think that's a very good trade-off for providing that liquidity, we call it, or option to choose or think differently with a return very, very close to the 5% that's available in the individual banking market at the moment. So, we would recommend you give us a call and talk to us about the cash option.

Why aren't the returns on Rest's "Cash" option reflecting current market interest rates? e.g. 5+% easily obtainable for at call, short term, and medium term.

The aim of the Cash option is to outperform the Reserve Bank cash rate over 1 year before tax and fees. Over the financial year of 2023, the RBA cash rate delivered 2.91%. The annual return for the cash option for FY23 (2.90% for super and 3.42% for pension) is lower than the current RBA rate (4.35% as at 1 December 2023) because it is backward looking over last year, whilst both the RBA rate and term deposits on offer are forward looking. We would expect next financial year's cash option return to be higher and it's currently yielding ~4.9% (as of 30 November 2023).

It is also important to be aware that the cash accounts and term deposits you may see advertised are not necessarily the same, and may have different terms attached, to the bank deposits that the cash option is invested in.

Would Rest consider adding an emerging markets investment option? Additionally, would Rest consider adding a portfolio rebalancing feature?
[Rest CIO Andrew Lill answered this member question live during the meeting]

This is always an option that we're considering. We do like to get member feedback on how to try to continue to refine our investment menu. I mentioned earlier that the investment menu always drives sort of better choices for our members when it's simple, but if it means that there's more member demand in something like emerging market shares, than one of the existing options, we are absolutely open to that. But we do have a limit on the number of options we want to see on that menu, and we want it to be defined by distinct options that our members are really going to value and use in their investment choices.

Cryptocurrency

Cryptocurrency - when will Rest add this to their portfolio offerings?

A cryptocurrency investment option is not being considered at this point in time.

However, Rest regularly reviews its investment menu and aims to ensure it's meeting the needs and demands of our members. We believe that our menu offers members a range of options to meet their needs.

We continue to assess how assets like cryptocurrency are performing and what role they might play in our long-term investment strategy. We are unlikely to add a stand-alone digital currency product to our investment menu, but may look at incorporating them into a highly diversified option, like Core Strategy, to help diversify sources of risk and return and maximise members' personal best retirement outcome.

1. **Bitcoin is up 100% this year…when will rest allow us to have an allocation to cryptocurrency?**
2. **I want to invest my super on Himalaya Coin, is that possible?**

We recognise that many people are interested in cryptocurrencies for investment, however we are looking at this more broadly – beyond simply investing in a digital currency like Bitcoin to, for example, blockchain technology, its wider impacts, and its role a disruptor.

We continue to assess how these types of assets are performing and their role in our long-term investment strategy. However, we are unlikely to offer a standalone blockchain or digital currency product that can be added to your overall mix of assets.

All of our investment options that hold overseas shares will typically have some indirect exposure to digital assets, such as, companies involved in the digital currency value chain. Further details of all of Rest's portfolio holdings are available at: https://rest.com.au/investments/how-we-invest#what-we-invest-in

Regarding investment diversification, are there any options available now or in future to hold percentages of a portfolio in physical gold, silver, and or crypto currencies such as public bitcoin or private monero as two popular examples?

We look at a range of asset classes and exposures when building portfolios to navigate different investment environments. While we do not offer a gold, silver, or precious metals as standalone investment options, we do offer investment options with some indirect exposure.

All of our investment option that hold shares (particularly Australian shares) will typically have some indirect exposure to precious metals such as, for example, gold. Further details of all of Rest's portfolio holdings are available at: https://rest.com.au/investments/how-we-invest#what-we-invest-in

With regards to cryptocurrencies, we recognise that many people are interested in cryptocurrencies for investment, however we are looking at this more broadly – beyond simply investing in a digital currency like Bitcoin to, for example, blockchain technology, its wider impacts, and its role a disruptor.

We continue to assess how these types of assets are performing and their role in our long-term investment strategy. However, we are unlikely to offer a standalone blockchain or digital currency product that can be added to your overall mix of assets.

All of our investment options that hold overseas shares will typically have some indirect exposure to digital assets, such as, companies involved in the digital currency value chain. Further details of all of Rest's portfolio holdings is available at: https://rest.com.au/investments/how-we-invest#what-we-invest-in

Gold

How do I invest in gold?

We look at a range of asset classes and exposures when building portfolios to navigate different investment environments. While we do not offer a gold or precious metals standalone investment option, we do offer investment options with some indirect exposure.

All of our investment options that hold shares (particularly Australian shares) will typically have some indirect exposure to precious metals, such as, for example, gold. Further details of all of Rest's portfolio holdings is available at: https://rest.com.au/investments/how-we-invest#what-we-invest-in

Responsible investment

What kinds of companies or industries does Rest invest in under the Sustainable Growth package?

For members wanting to invest in an option that applies enhanced ESG criteria, we offer the Sustainable Growth option. Our website provides more information on the types of investments in Sustainable Growth at: https://rest.com.au/why-rest/ethical-super. The Sustainable Growth's portfolio holdings are also available at: https://rest.com.au/investments/how-we-invest#what-we-invest-in

How can you prove that climate change is real?

Rest's sustainability strategy is aligned to five United Nations Sustainable Development Goals (SDGs) including goal 13 climate action.

We have a long-term objective to achieve a net zero carbon footprint for the fund by 2050. This is also consistent with the goals of the United Nations Paris Agreement. The Paris Agreement seeks to keep global temperature rise this century to well below two degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. You can read more about the Paris Agreement and why and how it was established here: https://unfccc.int/process-and-meetings/the-paris-agreement

Importantly, Rest believes that climate change will impact the financial futures of our members. In 2023 Rest undertook climate-related scenario analysis and stress testing of our Core Strategy and Sustainable Growth investment option asset allocations to assess whether we are investing in the long-term best financial interests of our members.

This analysis found unmitigated climate change is expected to negatively impact future investment returns for our members. You can read more about this analysis in our 2023 Sustainability, Responsible Investment and Climate Change Supplement here: https://rest.com.au/rest_web/media/documents/why-rest/about-rest/sustainability/rest-sustainability-responsible-investment-climate-change-supplement.pdf

This is why we believe actions and initiatives that intend to manage the economic and social consequences of climate change open up investment opportunities for our members. We believe these investment opportunities can also contribute to the transition to a more sustainable, low carbon global economy.

If you'd like to learn more about Rest's position on climate change, and our roadmap to net zero emissions by 2050, you can visit https://rest.com.au/investments/how-we-invest/climate-change

What is Rest's view of the strong, vocal opposition to new transmission infrastructure necessary for distributing renewables? And can Rest do anything to help reduce this opposition, as new transmission is essential for the success of renewable energy transition

Rest is a supporter of Australia's energy transition.

We recently publicly supported an industry Energy Blueprint authored by IFM Investors, alongside the support of seven other industry super funds. The Energy Blueprint identifies policy solutions to help drive greater investment into Australia's energy transition and deliver returns to superannuation members. At Rest, we believe our members can reap significant long-term benefits from investments that support the energy transition.
You can read more about the Energy Blueprint we support here: https://www.ifminvestors.com/news-and-insights/media-centre/industry-super-blueprint-to-accelerate-investment-in-energy-transition/

Our CEO, Vicki Doyle, also championed Rest's strong support of Australia's energy transition at the Treasurer's Investor Roundtables, including the most recent Investor Roundtable in December which included discussion on impact investing and the energy transition.

We also believe investing in next-generation energy infrastructure is another important way we can support this transition. As such, Rest has invested in a few key renewable energy and impact investments in 2023, including:

- Quinbrook Infrastructure Partners, a renewable and clean energy infrastructure manager that provides Rest members with exposure to a range of solar and battery projects and green data storage centres.

- Octopus Australia Sustainable Investments Fund (OASIS), a renewable energy fund that provides local and international institutional investors with exposure to Australia's renewable energy transition.

- Palisade Impact Fund, a fund focusing on assets that contribute to practical solutions to climate change by investing in next generation infrastructure.

What analysis of green energy investments undertaken to ensure these investments don't become stranded assets in 10 years as a new dispatchable power generation technologies are developed?
[Rest CIO Andrew Lill answered this member question live during the meeting]

The first and foremost thing to say is that investing is always a dynamic option. Things change all the time and we are absolutely led by what is in our members best financial interests to consider risk and return at any point in the cycle. And that means that sometimes what we invest in today is not what we're going to be investing in in the next 10 years. Now, when it comes to the difficult question of stranded assets, we know that there is going to be a transition in Australia and around the world from the main energy sources today, which are in general fossil fuels, coal and then gas, towards more renewable investments. Now, at any point the returns that you can get from those different options reflects where we are in the investing cycle. And when it comes to building a Core Strategy, a default option for all our members, we continue to consider and refine where are the best options for that investment. Now, we have made at Rest a commitment to a net zero carbon investment portfolio by 2050 and that means that as we move from today through that transition that's going to happen in our economy and in around the world, we will get to that point before or at 2050 when our investment portfolio will have no investments in assets that have a carbon emissions capacity to them [that is not in some way offset]. So you can see that it's going to be a complex item, it's going to be a moving item and I appreciate the question and we should be reviewing it every year. And so far, we're making very good progress on reducing the carbon in our investment portfolio yet maintaining our returns and best financial interest for our members.

Rest remains invested in organisations that contribute to climate change and keep doing new fossil fuel projects. Companies such as Woodside and Santos are two of the biggest polluters. Rest currently only allows a non-fossil fuel option, but this can be seen as greenwashing by people. To be an ethical and not a greenwashed superannuation fund, why is Rest not committed enough to tackling climate change issues in their investment options? Why is Rest not making a firm stand such as CBA saying "no more new fossil fuels investments"?
[Rest CIO Andrew Lill answered this member question live during the meeting]

This is a really important topic and I'm pleased that you've brought it up tonight. So, Rest has a number of very high level and strong principles that we apply to our investing. First off, we do believe that responsible investing adds long-term value and we think very hard about how we invest our portfolio responsibly and in taking a climate-focused approach. Second, we have made a commitment to have a net zero carbon [footprint for the] investment portfolio by 2050. And as I mentioned earlier, we're working through the transition elements of that. The third principle is that we believe that exclusion, and that means selling companies that are potentially high emitters, is not the best way of seeing change. Exclusion doesn't force change. We believe that by remaining actively invested, and just for context you mentioned Woodside and Santos in Australia that are under some discussion, they're still under 1% of our portfolio, so still fairly small allocations to those two companies compared to the size of the Australian equity market. So, we have made a commitment that we're going to stay invested for the meantime, we are in active dialogue with both of those companies, we meet with them regularly, both ourselves through the investment managers that we work with and through the advocacy and work we do with ACSI, one of the industry bodies. So, putting all that together, it means that when it comes to our default strategy, we don't exclude fossil fuel investments. There are a couple of investments that we exclude from that portfolio that have greater than 10% of their revenues derived from thermal coal [mining]. Woodside and Santos do not meet that requirement. So, we at this point are working very closely with them to make sure that they are clearly demonstrating to us how they are going to be decarbonising their own portfolio over the longer term, consistent with our 2050 commitments. Now, as you mentioned, we do have an investment product available called the Sustainable Growth Option, which if our members prefer to have an approach to investing that involves exclusion, not just of fossil fuel companies, but of lots of different areas of responsible investing, then it's clearly an option for you and we believe it's a very strong option that will drive long term value returns. And indeed, over the last 12 months, 2,500 of our members have joined that particular option that we're delighted by [over 8,000 members in total]. So we're going to continue to think about where members best financial interests are, we're going to think about advocating and engaging very, very actively with the highest emitters in corporate Australia and do that not just on ourselves but with our partners. And if those responses are not consistent with a science-led approach to decarbonising their operations, then we will take the decision to disinvest. But at this point, we believe the dialog we're having by being an investor is absolutely the best way to see change in Australia.

Russia

Has Rest now fully divested from Russia? If not, please advise on when Rest will be fully divested from Russia.

Rest has divested all Russian securities that we directly own or control. Thinking back to last year, this was a very important focus for Rest and starting in March 2022, Rest reduced its holdings in accordance with our members' best financial interests and regulatory sanctions. As of 30 June 2023, exposure to Russian securities in our Core Strategy was less than 0.001%. These residual holdings are held through third-party co-mingled funds, rather than directly in Rest's name. We continue to be actively engaged with our investment managers in assessing the situation. Investment managers are still not permitted to initiate any new, or add to any existing, Russian positions.

Affordable housing

What is Rest's view on affordable housing, and do you think Rest might be able to invest in it? *[Rest CIO Andrew Lill answered this member question live during the meeting]*

Well, first and foremost, it has to meet our members best financial interests' standards. I'm really pleased to say that we are making some really strong progress in conjunction with some of our other large super funds in Australia and working hand-in-hand with both state and federal governments to try to get to a position where the financial returns can justify us deploying capital quickly into this area. We know that in both this period of cost of living issues and with higher immigration, it's a really kind of big, big challenging area for our members and we definitely want to commit to helping in that regard with our members capital. So we've been investigating a number of different options, some in conjunction with social housing partnerships, some in conjunction with other super funds, and also thinking about the housing affordability plans that the federal Government have been working through. We're not quite ready yet to announce our commitments in this space, but we are imagining that in early 2024 there's going to be some exciting developments that we can bring to you, our members.

Fees, products and services

Reporting

Must [most] funds have online historical reporting to report on performance as a minimum. Why does Rest not have this reporting and will they make reporting available in the future?

Historical performance reporting is available for Rest options on our website. Rest members can check historical investment performance here: https://rest.com.au/member/investments/performance

Fees

Can you please explain how the indexed options (Balanced, Aus Shares and Int Shares) can have no ICR and buy/sell costs? Does Macquarie (the asset manager) return the market index returns and retain any alpha themselves? What happens when they underperform the index? Do they pay the difference out of their pocket?

The indexed options are invested with Macquarie. Macquarie invests in a broad portfolio of securities in each asset class. Macquarie ensures that Rest's members invested in the option(s) receive the return of the relevant benchmark for each asset class via a swap. Macquarie is taking the risk of underperformance but will also retain any outperformance. Macquarie does not charge an investment fee.

If we [members] increase an investment option, for example we increase Core investment from 60% to 80% are additional fees (?buy sell/spread) applied to just the 20% increase or the whole 80%?

Yes, Rest charges a buy-sell spread when a contribution, switch or rollover is invested in an option and we issue units in the option to you. In this case, you would have already incurred this cost on the original 60% when you purchased those units. So for this transaction of purchasing additional units in the Core Strategy option, the buy-sell spread will be an additional cost only in relation to the 20% increase. You can view the buy-sell spreads for all Rest investment options here: https://rest.com.au/super/buy-sell-spread

Insurance

What will happen to my insurance once I turn 70 years old? Am I going to be insured?

No, insurance cover through your super at Rest will generally cease at age 70.

Unlike some other super funds, Rest has negotiated insurance cover for our members to generally remain covered through to age 70.

Services

Until recently, when I clicked on 'See History', the unit prices were displayed in the following format [image not included in this document]. This HTML format was easy to view, particularly on a hand-held device. However, the HTML format has been replaced by the following pop-up box [image not included in this document]. This format is not user-friendly, especially when viewing on a hand-held device. I would greatly appreciate you providing my feedback to your colleagues and requesting for the option to view the unit prices in the old HTML format to be reinstated, thereby providing members the flexibility to view the data in either Excel or HTML format.

Thank you for your feedback. We recognise there have been some changes to our investment pages on the Rest website recently, including the unit price display format you have mentioned.

This is because we're rolling out a new investments digital experience for Rest members across our website and Rest App. As part of our technological upgrade, these features will be rolled out over time.

However, unit prices for all options can still currently be viewed on the unit prices page here: https://rest.com.au/member/investments/unitprices. Historical unit prices for all options can also be viewed within your MemberAccess.

Providing our members with seamless digital experiences is a priority for us and we will continue to focus on evolving our digital member experience.

Can you explain why Rest experience so many technical problems with trying to access your site?

Sorry to hear this. We're focused on continually improving our digital experiences for our members but from time to time our website and App can experience technical issues, for example during upgrades or external provider outages. Our teams endeavor to ensure disruptions are eliminated or reduced as much as possible in these circumstances.

Alternatively, if you're having trouble logging into MemberAccess or the Rest App, it might be because we don't have your updated contact details. You can update your details in MemberAccess or alternatively you can contact a Customer Service Consultant for help by calling 1300 300 778.

Financial hardship and vulnerable members

I'm proud Australian citizen, born overseas. I've been with Rest, (previously:Acumen) for a long time. I've worked many roles but have been unemployed since 2021. Due to health problems I had to leave Australia. My valuables (including documents) were left in Australia.

I'm still overseas, unable to cover the living costs of my mother and mine too. I would like to access my superannuation funds I have been collecting with help from my Australian employers since moving to Australia.

Can I access my superannuation? What would you suggest for many Australians (not only women) who are overseas in financial hardship, struggling to make ends meet?
[This member was contacted privately for a personalised response.]

Thank you for your question about accessing your super. Unfortunately, as an Australian citizen you will need to meet the Australian government rules for accessing super regardless of you living overseas. This means your superannuation funds cannot be accessed until you meet a condition of release.

While the most common condition of release is reaching preservation age (between the age of 55 and 60 depending on the year you were born) and retiring, there are some other conditions that would allow members to access their super early, including severe financial hardship and on compassionate grounds.

You can read more about early access to super on the ATO website here: https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/withdrawing-and-using-your-super/early-access-to-super/when-you-can-access-your-super-early

If you want to know more about applying to access your super early due to severe financial hardship with Rest, you can read more on our website which includes the option to use our Live Chat to talk with a Rest representative: https://rest.com.au/super/understanding-super/accessing-your-super/early-release-of-super

I'm really struggling with a loan that I can't get on top of. I never took any payout during ovid

as I thought I could manage. How do I apply to have a portion paid out please I just need the help and I'm not on any benefits as I work full time.
[This member was contacted privately for a personalised response.]

Severe financial hardship is a valid condition of release. This means, if you are experiencing severe financial hardship and satisfy the eligibility criteria, you may be eligible to withdraw some of your super early.

You can apply for early release of super due to severe financial hardship by visiting our website and messaging the Rest team using Live Chat: https://rest.com.au/super/understanding-super/accessing-your-super/early-release-of-super

You can contact Rest Advice on 1300 183 361 to receive simple advice.

A retired friend of mine recently received a tragic mental health diagnosis in his retirement. This meant he was medically unfit to access his bank accounts or his superannuation, and he only found out when he went to do so. This caused his family financial stress as they had not prepared for the legalities of such a tragedy. With mental health initiatives on the rise, and medical records being more publicly available. Has Rest considered the legalities of mental health diagnosis with affect to accessing/contributing to superannuation in and before retirement.

We understand navigating the legal implications and regulations connected to mental capacity and mental health can be complex and extremely stressful.

Rest is obligated to act in accordance with the law when it comes to ensuring members interests and super savings are protected if their mental capacity is compromised. We are also bound by legal obligations around who can access super and act on our members behalf.

Superannuation laws enable a person appointed as an attorney under an enduring power of attorney (EPOA) to act in the place of the member. You can find more information on seeking support around managing legal and money issues on our website here: https://rest.com.au/insurance/referral-services/managing-money-and-legal-issues

Although thinking about these kinds of scenarios can be difficult, we encourage our members to plan ahead wherever possible.

You can find out more information and super tips around what to do if you are ill or injured and need to access super here:
https://rest.com.au/tools-advice/learning-centre/super-tips/super-when-you-are-ill-or-injured

We're also focused on making it easy for our members to contact us about accessing their super, discussing beneficiaries and nominating third party authorities on their account. Members can call one of our Rest Advisors on 1300 183 361, use the live chat function on our website or talk to our digital assistant, Roger, to get help and discuss their personal circumstances.

Is there further progress in the duplication of the previous AIA app to promote mental and physical health among Rest members as an early intervention element.

Rest does not have a current offer similar to the previous AIA Vitality App.

We do however provide a range of content and services to support our members on the Rest App, including articles and videos to educate members about their super and special access to member-only rewards across a range of brands. You can find out more about the Rest App offering here:
https://rest.com.au/tools-advice/tools/rest-app

Advocacy for fairer and more equitable superannuation

At a recent trip to the dentist, I realized that there is a health care scheme called Access My Super, where you can utilize your superannuation for dental procedures such as veneers, braces, and dentures. I was disgusted as these services should be provided by Medicare! With discretionary spending being a key element that people accessed their superannuation during the pandemic, what steps is Rest taking to protect the superannuation assets of the individual, as well as fighting to strengthen the government benefits that many of your low income members rely on.

Members may be able to access their super early in limited circumstances including on compassionate grounds to pay for medical expenses for themselves or a dependant if they meet eligibility requirements.

The ATO website provides information on expenses eligible for early release on compassionate grounds here: https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/withdrawing-and-using-your-super/early-access-to-super/access-on-compassionate-grounds/expenses-eligible-for-release-on-compassionate-grounds

At Rest, we believe super is generally a long-term investment which can help support you in retirement, and early access can potentially leave you worse off in the long run. However, we know for some, early access to super can make a big difference in the short-term.

Rest is dedicated to helping members maximise their retirement savings. Improving the super system to make it more equitable and sustainable, and enshrining the importance of preservation, are critical in achieving this.

For those members who have no option but to draw on their super early, Rest is here to support them when the time comes to consider ways to replenish their retirement savings.

When it comes to helping our members realise their best retirement future, our efforts aren't just contained to the service and products we deliver. We believe in advocating for a fairer and more equitable super system for all Australians.

One way we advocate for this is by supporting the Superannuation (Objective) Bill 2023. The objective defined by the Government outlines the requirement that all future super-related legislation is compatible with the principles of preservation, equity and sustainability. We believe this is a positive step forward for our members and all working Australians. We have participated in consultation urging Parliament to pass the Bill at the earliest possible opportunity.

You can learn more about early release of super here: https://rest.com.au/super/understanding-super/accessing-your-super/early-release-of-super.

I am an Indigenous woman from Western Australia. How is it determined that Indigenous people have the same bylaws as non-Indigenous people when Indigenous life expectancy is documented to be a number of years less than non-Indigenous people? My question is how can these issues be resolved as Indigenous people don't expect to live to see their retirement? How is your company going to address this issue?
[Rest Chair James Merlino answered this member question live during the meeting]

At the outset, I would say that Rest has a really important role to play in achieving reconciliation and addressing inequality and disadvantage. And I say that because as we've heard tonight Rest is one of Australia's largest profit-to-member funds. We've got 1.9 million Australians who are members of Rest, touching every corner of our nation from our big, big cities to our regional communities, our rural communities, our suburbs. And we estimate that there are tens of thousands of Rest members who identify as Aboriginal or Torres Strait Islander. You're right to raise this issue. This is a critical issue, a lower life expectancy for Aboriginal and Torres Strait Islanders, and what that means is therefore less likely to reach preservation age and access your super. In answering your question, I want to talk about two things: what we're doing ourselves in Rest, and Vicki touched on this a moment ago when she talked about our Reconciliation Action Plan, and then what needs to happen more broadly. So if I can touch in terms of what we are doing as an organisation on behalf of all our members, tens of thousands of whom are Aboriginal or Torres Strait Islander. Earlier this year, we launched our Reconciliation Action Plan, and that's about how we can contribute as an organisation to achieving reconciliation and addressing disadvantage. It's a Reflect RAP which means we're at the beginning of this process. So right now this stage is about engaging with people, engaging, listening to people, engaging with them on their experiences. Firstly, most importantly, with people like you, our Aboriginal and Torres Strait Islander members. But it's also talking to our own staff and it's also talking to organisations outside of Rest such as the First Nations Foundation, which is a dedicated group focused on Indigenous financial wellbeing. So that's part of the reflect RAP, the first stage in that process. In terms of what we can do more broadly, it's really to recognise that this is an industry-wide issue. This impacts on every single fund who have Aboriginal or Torres Strait Islander members and it impacts on Australians nationwide. So we need to have this conversation not only internally at Rest, but across all our funds, through cross industry forums. And it's also important, as you noted in your question, this is covered by federal legislation. So this also will require engagement with the federal government, with other policy experts in terms of what we can do to address the significant inequality in our nation today. Vicki and I are really proud of the Reconciliation Action Plan that we've initiated at Rest. We look forward to the work that has to happen through the course of the next 12 months. And when we engage with you at our next Annual Members' Meeting, I'll be really proud to talk about what progress we have made. We're serious about this issue ourselves within Rest, and it's a serious issue that needs to be addressed right across our nation with other funds and with the federal government.

What education is Rest Providing to its young members to promote superannuation as a complement to financial freedom strategies especially with work-life balance being a topic of discussion among young people?
[Rest CEO Vicki Doyle answered this member question live during the meeting]

Well that's a great question and you may know that Rest has more than around a million members who are under 30. So it's a really important area for us to focus on and it's why we've really invested in our App because we do find that the App for all ages in fact is a really easy and simple way to understand your superannuation. Particularly for younger members and those who are under their twenties and just starting out in first time jobs. We do a lot of digital 30 and 40 second type ads to understand super on TikTok, Instagram, Facebook. So we're trying to get out in as many social channels as we can where our younger members are in really bite sized pieces of information. As I also referred to earlier, we've added a new area to our App called Learn and we've had more than 185,000 visits to that. In fact, it's even more than that now but between February in the financial year 23 and June, 185,000 visitors to that area. And that gives really short 30 second, two-minute instructional videos and digital tools that you can really start to understand super and advice quite easily. And I guess if you wanted to get into it a little bit more deeply, there's actually digital advice tools that you can get onto as well, which can tell you about how you might optimise your super contributions, which investment choice, like I was talking about earlier, which investment choice you should be in at your age given the returns you're looking for and also the risk that you're prepared to take. So it's an area that we will keep investing in and really encourage you to go on to our online offerings to see what's available.

Industry fund

Why does Rest seem to distance itself from highlighting that it is an "Industry Fund"?

Rest is certainly an industry fund and we are proud of our heritage representing retail workers.

Fast forward to today, and Rest is now open to everyone. You don't have to work in retail to become a Rest member – all eligible Australians are welcome to join.

Rest has chosen not to be a member of Industry Super Australia (ISA) or invest in their related entities. As such, we do not use the ISA copyrighted Industry Super Funds symbol on our website or across our member communications.

Despite this, Rest is a dedicated profit-to-member industry fund with low fees and competitive long-term performance. Find out more about Rest and how profit-to-member funds work here: https://rest.com.au/tools-advice/learning-centre/super-tips/what-profit-to-member-means.

Itemised expenses disclosure

My recent correspondence from Rest mentioned a large payment being expensed under the heading of Aggregate related party expenses. The customer service person I spoke to was unable to enlighten me as to what this means. He advised me to register for the AGM. I have done so but am unlikely to be free to attend. Please can somebody send me information about this expenditure.

Our itemised expense payment information is available on the Rest website here: https://rest.com.au/why-rest/about-rest/corporate-governance/annual-report

I have a question about the upcoming AGM and material provided to members. Why does the financial statement that is currently available not cover the significant costs of promotion, marketing, sponsorship and related party payments? The link to the financial statement does describe the industry bodies that costs have gone to, so why can't the statement include the other costs mentioned above? The wording that these details will be made available before the date of the AGM is not very helpful. Exactly when can we expect to see the detail? I would also question whether imposing this kind of timeframe for member's consideration of important financial information is reasonable?

Our itemised expense payment information, published on 22 November 2023, is available on the Rest website here: https://rest.com.au/why-rest/about-rest/corporate-governance/annual-report

This document provides information about payments made by Rest to vendors and third parties across the specific categories summarised in our Annual Members' Meeting (AMM) notice.

You have asked us why these items are not included in Rest's formal financial statement. The financial statement is prepared in accordance with Australian Accounting Standards and other relevant regulatory requirements. These are distinct from the requirements relating to the AMM itemised expenses, which are broader in scope.

We are focused on meeting member expectations and regulatory requirements in the publication of all our disclosures. In the case of the AMM itemised expenses, we are required to publish this information before the AMM meeting, while also ensuring information is complete and accurate.

Cyber security

What is Rest doing to prevent cybercrime and fraudulent removal of funds?
[Rest CEO Vicki Doyle answered this member question live during the meeting]

That is such an important and topical question and the environment around cyber and information and data security is evolving at a rapid pace, and we need to really respond at that same pace. I'm pleased to say we've been investing very significantly in our information security and data [capabilities] over the last couple of years and we're continuing to invest more.

We've really invested in the team. We've got a Head of Information Security. We've brought in a raft of resources who have got specific skills [in financial fraud, engineering and architecture] and team members working across all sorts of new careers that weren't around a decade or two ago.

Secondly, we do a lot of training with our Rest team around phishing, around identity theft and really making all of the Rest team aware of the multiple ways that cybercrime can happen. Because one of the areas that many companies can find vulnerabilities is just in the training of staff.

Thirdly, a really important area for us is working across the ecosystem with all our suppliers and partners [in the prevention, detection and response to cybercrime and fraudulent activities]. So we have Link who helps us provide the administration to our members. We have TAL who provides life insurance. We have Concentrix that helps with all the digital online calls, live chats, and working with those partners is really important for us to actually make sure the whole system is secure.

It's [security] one of our major strategic pillars for our strategy in the future and we're just going to continue to invest to make sure that all of our members' money is safe.

ENDS