Transcript of Rest’s Annual Members’ Meeting 2022-23 Financial Year

Meeting details

Meeting held online at 7:00pm (AEDT), 27 November 2023.

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

About this transcript

This transcript and presentation is current as at 27 November 2023, and relates to the financial year ending 30 June 2023. All figures are sourced from Rest as at 30 June 2023 unless otherwise stated. Please remember investment returns are not guaranteed and past performance is not a reliable indicator of future returns.

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Presenters

- Vicki Doyle – Chief Executive Officer
- Andrew Lill – Chief Investment Officer
- James Merlino – Chair of the Board and Independent Director
- Gemma Kyle – Chief Risk Officer

Transcript

[Welcome video plays]

[Gemma Kyle]

Good evening, and welcome to our Annual Members’ Meeting.

I’m Gemma Kyle, Chief Risk Officer of Rest. Thank you for taking the time to join us to reflect on the past financial year and look ahead to what’s next for Rest.

I'd like to begin with an Acknowledgment of Country, starting with a video featuring the incredible artwork created for our first Reconciliation Action Plan that was launched earlier this year.

[Acknowledgement of country video plays with text on screen as follows:]

For 65,000 years, First Peoples have nurtured the place we call home.

Recognising this deep connection is an important step to reconciliation.

Gubbi Gubbi woman Maggie-Jean Douglas created this artwork for Rest's first Reflect Reconciliation Action Plan.

It represents Rest's commitment to our members, many who are First Peoples.

Please join us in acknowledging the Traditional Owners of Country.

Together, we work towards reconciliation.

Music by Yorta Yorta artist Tristan Barton, featuring the track unified.

[Video ends.]

Tonight, I come to you from the lands of the Gadigal People and I pay my respects to their Elders past, present and future.

We of course, have members from all around Australia online, so I'd also like to acknowledge the original custodians of the many lands you join us from.

Before we kick off, there a few things to note.

Firstly, this meeting is being recorded and will be uploaded to the Rest website after the event.

Tonight, the agenda will include a welcome from Rest's Chair, James Merlino. You'll then hear from our Chief Executive Officer, Vicki Doyle, followed by an investment update from our Chief Investment Officer, Andrew Lill. After, we'll be here to answer your questions at our Q&A session.

You can submit questions online at any time during the event. Simply click the box on the top left of your screen and type your question.

To make the most of the time tonight, we do ask that questions remain succinct. Also, if we don't answer your questions tonight, don't worry. We'll also share responses to all submitted questions on our website by the 27 December this year.

Given this is a public forum, we'll only be able to answer questions of a general nature and won't be able to provide individual financial advice.

And now, it's my pleasure to introduce Rest's Chair of the Board and Independent Director, James Merlino. James was appointed to the Rest Board in January 2023 following a 20-year career in the Victorian Government. He brings a deep understanding of fiscal and economic transformation, leadership and corporate governance to Rest. Welcome, James.

[James Merlino]

Thanks, Gemma. Welcome everyone. Thank you for choosing to spend your time with us tonight.

It's been my great privilege to represent you as Rest's Chair since the first of January this year.

Australia's 3.4 trillion [Australian] dollar [plus] superannuation system exists to deliver Australians their best possible retirement outcome[1]. We have almost 2 million members, which means we represent around one-in-seven working Australians – from those starting a first job, to those approaching, or already in, the retirement phase of life.

We take this responsibility very seriously.

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[1] APRA statistics – June quarter 2023 accessible at: https://www.apra.gov.au/news-and-publications/apra-releases-superannuation-statistics-for-june-2023

All of our investment and fund decisions are guided by our objective to maximise your retirement savings. Our job is to see your savings endure and grow through market cycles.

In fact, given many of today's 20-year-olds are likely to be drawing on their super in 2080, Rest must look further into the future than almost any other organisation.

We're here to help each of you realise your best retirement future regardless of background or balance and no matter where you are in your retirement journey.

We're here for you whether your retirement starts next year, in ten years or in 40 years' time.

Rest, supported by a robust investment strategy, has delivered strong results across our diversified portfolios in the Financial Year ending June 2023. Both default investment options delivered positive performance greater than the long-term annualised return rates.

Our teams have also been focused on providing advice, education and high-quality service to ensure you are empowered when it comes to financial confidence and managing your super.

We've also been focused on championing a fair and equitable super system that caters to the needs of all our members. We believe that everyone should have an equal opportunity to realise their best retirement future.

You'll hear more about our performance and this work shortly.

On behalf of the Rest Board, I'd like to say a huge thank you for the trust you continue to place in us.

I'll now handover to Vicki Doyle, Rest's Chief Executive Officer to share more about how Rest has been delivering on our commitment to you. Vicki brings over 20 years of executive leadership experience in the super, life insurance and finance sectors to her role leading Rest. Thank you, Vicki.

[Vicki Doyle]

Thank you, James, and thanks to everyone joining us.

It's an honour to be here to reflect on the year's highlights and share some of the initiatives we've delivered and progress we've made.

For those who aren't familiar with our history, we've been looking after the retirement savings of hard-working members since 1988. 35 years on, we represent almost two million of you.

Our membership is diverse across all demographics and patterns of work and includes part-time, casual and shift workers.

As you [may] know, [as] our members have evolved and changed - so has Rest.

Today, our mission and purpose reflect our commitment to helping you realise your best possible retirement outcomes.

We aspire to create super that each and every one of you love.

To achieve this, we're on a mission to make your experience of super as simple as possible.

We believe when you can more easily understand and engage with your super, you're more likely to reach a better retirement outcome.

That's why we're focused on delivering outstanding, simple experiences that allow you to have a positive relationship with your super throughout the many stages of your life.

Whether you are 17 or 70, this objective is the same.

But of course, every journey is different, so we're focused on working with you to realise your personal best retirement future.

I'm excited to take you through what we've done to support this over the past financial year.

One of our key focus aspirations is to stand for value.

To do this, we remained focused on achieving the strongest possible returns and long-term growth of your super.

You'll hear more details on this shortly.

Another important element of delivering value to you is to keep your fees low.

Rest's Core Strategy's fees and costs remain at least 20% lower than the super industry average[2].

Keeping fees as low as possible across all our investment options helps to maximise your retirement savings.

We know many of you found the past year extremely challenging as the increasing cost of living has put so many under pressure.

Many of you have told us you're struggling with everyday expenses and the cost-of-living.

Some of you told us the future is too overwhelming to focus on, especially when you're worried about making mortgage or bill payments right now.

Many of you who are in retirement, or approaching it, sought our help to understand how to maximise income from your savings to meet unexpected expenses while also managing longevity risk.

We also talked to many of you as you reached important life milestones. New jobs, promotions, kids, downsizing - and upsizing. No matter your situation, age, or goals, our aim is to help you more easily understand and connect with your super through every life stage.

We recognise many of you turn to technology as your first point of call. In fact, our customer service teams received around 2,000 enquiries per day during the last financial year. More than half of these were through digital channels including our App and digital assistant. In response, we've stayed focused on our digital capabilities and are constantly aiming to provide the most seamless digital customer service experience for our members.

This includes important improvements to make our website more accessible for people with disability and extra app features to help you stay connected to your super.

We also continued to offer our fantastic phone service. Our hard-working team took over 317,000 of your calls over the year, which is about 850 calls a day. I'm also proud of our customer satisfaction score of 98% for advice over the phone.[3]

Looking ahead, we continue to focus on enhancing these services.

This includes leveraging technology to create simpler faster routes to our experts when you call us and more intuitive and accessible online tools and advice.

I'm pleased to share that even more of you used our advice solutions in Financial Year 2023.

We believe engagement with super, particularly through advice and education, improves retirement outcomes, and that encouraging simple actions can help make a difference to your future.

Advice can also support your wellbeing by bringing an increased sense of understanding about your finances and a clearer picture of your future plans.

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[2] Source: Rest analysis using SuperRatings SMART (30/09/2023). Rest Core Strategy compared against the average of 256 available super funds' balanced-style options tracked by SuperRatings. Includes admin fees, investment fees and costs, transaction costs, and costs met from reserves. Other fees and costs may apply. Fees are only one factor to consider when investing super. SuperRatings does not issue, sell, guarantee or underwrite this product. Go to www.superratings.com.au for ratings criteria.

[3] Source: Rest, All figures are for the period 1 July 2022 to 30 June 2023.

We offer a range of advice solutions to help plan your retirement and most of our easy-to-access personal financial advice solutions are available at no additional cost to you.

In good news, many of you benefited from this support over the year. Here's what some of our members who spoke to our advice and service team said about their experience with us.

[Making super simpler video plays[4] with text on screen as follows:]

Muhummad, Rest member: It is a simple, easy to use app and to understand. Knowing my money is safe helps me so much.

Helen, Rest member: Talked me through all the options and answered all my questions in terms I could understand.

Philip, Rest member: The retirement health check online gave me clarification on how my super is going and what I need to do to get ready for retirement.

Bradley, Rest member: The overall claims experience – didn't think I would ever need to use income protection, so glad I have it. And overall it was made easy.

Ruben, Rest member: Love your online seminars to help me understand how my super works and getting the best from it.

Claire, Rest member: The app is fantastic, being able to watch my super growing with a quick tap, change my risk, view my insurance, and tweak my account. All really easy. Love it ❤.

[Video ends.]

We used digital platforms to reach more of you in a convenient and accessible way. We also introduced new ways to improve your advice and education experience.

This included the new Learn feature on the Rest App, which was designed specifically to help you gain financial confidence.

It includes articles and videos to help you learn more about super. It was launched in February this year and by the end of June it had already attracted more than 185,000 visitors.

Over 11,000 of you attended one of our complimentary education programs, some of which we held with the support of your employers. Our team ran [more than] 697 education seminars in the 2023 Financial Year, an increase of over 200 seminars from the previous financial year.

This included 81 digital education sessions [A combined total of 778 digital and face-to-face education seminars and sessions delivered over FY23][5].

We know many of our members are concerned about the cost of living, especially those members that are approaching their hard-earned retirement[6].

In response to this, we've made sure our seminars were tailored to the current economic environment.

Education programs provide a key pathway to professional advice.

Many of you spoke directly with one of our qualified financial advisors on the phone or digitally. The effects of this advice are sometimes life changing.

[4] Please note these quotes are based on real Rest member feedback, but names have been changed to protect privacy. The information provided is general in nature and should not be relied upon as specific financial advice tailored to your individual needs, objectives, or circumstances. You should seek professional advice from a financial advisor before making any decisions based on this information.

[5] Correction to corresponding slide visual: Rest held a total of 778 education seminars digitally and in-person across Australia between 1 July 2022 to 30 June 2023. Slide incorrectly states this figure as 697.

[6] Source: Rest, 30 June 2023. All figures are for the period 1 July 2022 to 30 June 2023.

Here's an example[7] Joan, one of our members in her 60s who works in the retail industry, contacted our advice team after attending a Rest education session at work.

Joan had a mortgage, but she hadn't been able to pay it off as planned. Her capacity to work had reduced but she couldn't afford to cut back any hours and start the transition to retirement, while also managing the rising expenses.

After talking to a Rest financial planner, Joan was able to reduce her hours from full time to part-time by setting up a transition to retirement strategy.

This strategy saw us set her up with a tax effective pension account with us.

This provided an income stream from her super which supplemented her earnings.

And because she maintained the majority of her balance in her existing super account, she was able to finish the year with more retirement savings than when she started.

Another example comes from 28-year-old IT professional David, who didn't know he could choose his super product based on considerations like his age, risk tolerance and salary.

David also sought personal advice from a Rest advisor.

Based on his goals, personal situation and preferences, and after weighing up long-term risk and reward considerations, he changed to a high growth super option.

As a result, David has seen his super balance grow far more quickly and any growth across his balance will continue to compound over time.

So, if you think you might benefit from some advice, we're here to help. Like it did for David and Joan, starting a simple conversation could make a big difference.

You can start with our online tools, like our super health check which can give you some simple advice in a matter of minutes. Alternatively, you can reach out to book a personal session with our advice team directly.

Insurance that is affordable, flexible and accessible is another key part of our offering and important way we strive to deliver value to you.

We're conscious many of our members would not be able to afford to pay insurance premiums out of their take-home pay if insurance wasn't available through super.

Rest is one of the few super funds to offer income protection to casual workers.

This cover can be even more important in tough economic times.

Rest paid over [AUD] 460 million dollars in insurance claim benefits during the last financial year across almost 12,000 claims[8]. Together with our insurer TAL Life, we've achieved claim decision times that surpass the super industry average, as benchmarked by APRA[9].

Behind these statistics are real people and stories.

A father who was injured in an accident with two kids to provide for. A grandmother who needs to put her life on hold while she seeks cancer treatment. And a teacher diagnosed with a terminal illness that can take comfort that her partner won't be left without means to make mortgage payments.

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[7] The two examples provided are based on real member experiences but have been modified and anonymized to protect privacy. The information provided is general in nature and should not be relied upon as specific financial advice tailored to your individual needs, objectives, or circumstances. You should seek professional advice from a financial advisor before making any decisions based on this information.

[8] Source: Rest, All claims figures are for the period 1 July 2022 to 30 June 2023.

[9] Industry averages are taken from Life insurance claims and disputes data June 2023, Australian Prudential Regulation Authority (APRA), 17 October 2023. This APRA data expresses industry averages in months, which have been converted to calendar days based on a month equalling 30.417 days on average. Claim decision time industry comparison, based on benchmarking of APRA data, 2023.

The support provided by insurance can be life changing for you and your loved ones when things don't go to plan.

More of you also needed to access super savings early due to financial hardship this year.

Super is a long-term investment for retirement, and early access can 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].

We provided [members access to] around [AUD] 60 million dollars in [order to help them secure] critical financial support [through early access to their super] (Note: reference to funds accessed by members eligible to access their superannuation payments early under financial hardship grounds[10]).

We know how critical a prompt and seamless claims process is in these circumstances. To support this, we moved to a one-day processing time for financial hardship claims. This is a unique turn-around time in the super industry.

For those of you who have no option but to draw on your super early, please know that we're here to support you when the time comes to consider ways to replenish your retirement savings.

And when it comes to helping each of you realise your 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. And we've been focused on driving change that paves the way for this. A powerful example we were proud to support was the removal of the 450 [Australian] dollar income threshold.

Rest had long advocated to remove the rule that meant super guarantee contributions did not have to paid to those earning less than 450 [Australian] dollars per month. Since that rule was abolished on 1 July 2022, [we estimate that] a quarter of a million Rest members have now benefited.

This was not the only change that we were pleased to support. The Government also announced that staring from 1 July 2026, employers will need to pay their employees super at the same time as their salary and wages.

This will make it easier for you to see and track your super payments while providing a benefit from compounding returns on more frequent contributions.

But there's more to do to achieve a fairer system and we continue to focus on areas like gender and age equity so that you can receive super on every hard-earned dollar you make.

As part of this commitment to fairness and equity, Rest launched our first Reflect Reconciliation Action Plan (RAP) in May 2023.

We estimate tens of thousands of Rest members identify as First Nations peoples.

Our RAP outlines how we will work with Aboriginal and Torres Strait Islander peoples to promote reconciliation and increase the cultural appropriateness of our products and services.

As we look ahead, we will continue to focus on maintaining the momentum gained during the year 2023 to help us deliver our commitment to you.

Thank you again for attending tonight's Annual Members' Meeting. I'm looking forward to speaking to you again during the Q&A session later on. I'll now hand over to our Chief Investment Officer, Andrew Lill, for an update on our investment results and strategy.

Andrew has been with Rest since 2020 and brings more than two decades of knowledge, skill and experience to his role leading Rest's investment team.

Thanks, Andrew.

[Andrew Lill]

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[10] Source: Rest, 30 June 2023. All figures are for the period 1 July 2022 to 30 June 2023

Thanks Vicki. Hi everyone. I'm Andrew Lill, Rest's Chief Investment Officer. It's a pleasure to be here tonight and talk to you about your investments and how we are actively managing your super. This evening I'll take you through our investment results for the last financial year and provide some insights into what's been happening recently in markets and why.

We will review how we're positioning the portfolio for the future. We'll also have a look at an important opportunity for generating returns through the energy sector including renewable energy infrastructure.

Let's start with our results for the year.

As you can see, Core Strategy returned 9.26%[11]. I'm really proud this means Core Strategy's investment returns in the 2023 financial year were higher than its long-term average annual returns over both 10 and 20 years. Returning above 9% in FY23, and keeping average annual returns for the Core Strategy above 7% over a 10 year period, means your retirement savings have been growing faster than inflation over the longer term. Core Strategy is exceeding its rolling ten-year objective of CPI plus 3%, per annum.

And we are delivering on our goal to provide strong returns for your retirement. Each and every day we are working hard to keep your super on track.

Over FY23 we delivered strong returns across all our diversified portfolios even though it was a challenging year for investing. With rapidly rising inflation and interest rates, the direction of markets was, at times, hard to predict. The 12 interest rate rises up to 30 June made it tough for sectors like property, listed infrastructure and private equity.

Markets also had to navigate the prolonged Russia-Ukraine conflict, adding to inflationary pressures and gas shortages, the UK government actions causing bond markets to plummet, and the collapses of Silicon Valley Bank and Credit Suisse causing fears of another banking meltdown.

However, share markets were standout performers for the year. Overseas shares were led upwards by strong US tech stocks thanks to artificial intelligence[12]. Meanwhile, in Australia, shares were driven up by demand for resources and commodities. In addition, our long-standing investment in agriculture also played a starring role, with Warakirri Cropping continuing to deliver strong returns for members.

Warakirri is one of our direct assets which has helped keep the portfolio resilient. Warakirri is 100% owned by Rest and they own and operate farms. In fact, Warakirri is one of Australia's largest grain growers. Agricultural land values have been rising, and these positive land revaluations have benefitted our performance.

With everything going on, we need to carefully navigate markets and analyse situations in depth. Let's look at the performance of the US share market as a great example of this.

The strong performance of the US share market was heavily concentrated amongst a handful of star performers. As you can see in the graph, 5 stocks drove most of the market's returns.

Understanding what's driving markets is critical to how, why and where we invest. The overall returns in US markets looked strong. But the difference in returns between the top 5 and the rest of the market is significant. This highlights the importance of analysis and research to help us choose the right stocks. Understanding these drivers and picking the right shares can matter.

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[11] Source: Rest, 30 June 2023. Returns are net of investment fees, tax and implicit asset-based administration fees. Explicit fees such as fixed dollar administration fees, exit fees, contribution fees and switching fees are excluded. Returns for periods greater than one year returns have been annualised. 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.

[12] Source: Bloomberg and Rest, 30 June 2023. Past performance is not an indicator of future performance. Investment returns are only one factor that you should consider when deciding to invest your super.

Stock selection is one of the hallmarks of how we navigate markets to benefit our diversified portfolios and deliver on our goal of generating strong returns.

Now let's turn to the outlook and think about what the future might look like.

It's certainly been a challenging start to the new financial year, with share and bond markets falling at the same time, and a conflict in the Middle East.

Whilst inflation is starting to normalise, we believe it will remain elevated for some time and the global political and economic backdrop could also remain challenging. We're seeing markets moving both up and down as they continue to adapt to the prospect of interest rates being higher for longer.

On the positive side, we believe a serious downturn in Australia is not the most likely outcome, and the US economy is proving resilient. Recent growth data from the US supports this view.

Given a conflicting outlook, we continue to maintain a well-diversified portfolio that we believe can weather all market conditions. Our broad mix of assets across both public and private markets should support us in our objective of delivering strong long-term results for your future and to help you achieve your best possible retirement outcome.

Of course, looking after your long-term super investments includes carefully managing costs.

With successive interest rate rises, I know we're all feeling some pain with a higher cost of living, whether it's increased mortgage or rent payments or even just at the supermarket.

So I'm also really pleased that we have delivered strong financial year returns with a low investment cost. A strong cost discipline is really important to us when we invest, as we know high fees can impact your final balance. We want to deliver more with less. Over the last 2 years, we have achieved a reduction in fees we pay to fund managers equating to around 30 million dollars as we strive to deliver you better value. Core Strategy's investment fees were only 0.48% per annum in FY23 and our Indexed options continue to have investment fees of zero.

One of the reasons we can do this is because we have internal investment capabilities. Since I became Rest's Chief Investment Officer in 2020, we have been actively building Rest's investment team, attracting top tier investors driven by a common sense of purpose – to improve retirement outcomes for our members. Having internal expertise, means that Rest has the ability to use the best of both investment worlds. We can use external investment managers or our in-house team, giving us the flexibility to seek to maximise returns while keeping costs low. As an example, we've recently added an internal overseas shares capability to our team, adding to our already highly successful internal Australian equities team.

We recognise that markets are dynamic and ever-changing. So, we continually evolve our investment strategies and process to adapt to these changes and strengthen the portfolio's resilience.

Given dynamic markets and the need to keep evolving – how are we at Rest thinking about capturing returns in the future? And, therefore, how are we investing for this future?

An important area of ongoing investment given its scale and return opportunity is the future of energy, and next generation infrastructure.

Before we dive into the details, it's important to provide context on our investment approach. We exist only to serve our members and every investment that we make must be in the financial best [correction: Best financial] interest of our members – it first and foremost must be a "good" investment. This means we must believe that it can deliver appropriate returns for our members. And this is our number one priority, and it's not negotiable.

One of my absolute privileges as the Chief Investment Officer of Rest is that while we're focussed on generating long-term returns, we may also be able to use your super to positively change the communities in which, you – our members, live and work. We believe that responsible investing adds value. And investing in the energy transition, presents a fantastic economic opportunity. The nature of energy and its supporting infrastructure is changing rapidly. There is significant disruption through technology developments and the need to decarbonise. Amongst big changes and big problems, we can see big opportunities.

We believe it is important for Rest members to have exposure to the next generation of infrastructure assets and renewable energy and not miss out on the return opportunity. Rest also looks after the futures of more than a million members aged 30 or younger. These members will retire after 2050, the year that we have set as our long-term objective to achieve a net zero carbon footprint for the fund. Half of our members will retire into a post net zero world.

If you're around 30 now, and retire at 60 in 2050, you are expected to have around another 30 'working' years to grow your retirement balance. The next 30 years are when we expect investment in renewable energy to really ramp up. We believe the opportunity to accelerate returns for retirement savings will be unparalleled during this timeframe.

So how big is the opportunity?

The transition to a lower carbon economy is a huge and historic investment opportunity, requiring an estimated US 100 trillion [dollars] globally over the next three decades[13].

Clean energy investment is forecast to double by 2030 alone. Globally, electricity transmission and distribution grids need to expand by around 2 million kilometres each year to 2030. And from 2030 onwards, investment will need to grow by at least US4.5 trillion [dollars] every year, from the current levels of [USD] 1.8 trillion dollars.

The Australian Government has also set a target of net zero carbon emissions by 2050. Renewable energy use has already grown quickly, delivering 30% of the current total energy mix. In Australia, more than 120 billion [Australian dollars] of spending is needed to finance new solar, wind, and transmission and energy storage projects by 2030[14]. It's been estimated that a major wind farm needs to be built each month until the end of the decade to help hit Australia's renewable energy goals.

At the same time, 80% of our old coal fired power stations are scheduled to retire over the next decade. 320 billion [Australian] dollars in new energy and infrastructure investment will be required to replace these existing assets alone.

Energy transition is a large, complex and important problem to solve, and we believe our investments in renewable energy demonstrate how your super capital is working hard for you, for Australia and for the future.

Our recent billion-dollar commitment to Quinbrook, a clean energy infrastructure manager, is expected to provide exposure to solar and battery projects and green data storage centres, such as Queensland's Supernode green data campus – thought to be the largest in the Southern Hemisphere. In our world that is increasingly reliant on data through the growth in cloud-based technologies and AI, data storage and management centres are vital – and they require huge amounts of energy. The demand is already enormous and growing. We expect green data storage to provide a great return opportunity as well as a way to maximise energy efficiency and minimise environmental impact.

Rest has also invested in the Octopus Australia Sustainable Investments Fund, known as OASIS. Managed by a renewable energy specialist, the OASIS fund invests in assets across wind, solar and storage.

OASIS already has investments in the fully operational Darlington Point Solar Farm in New South Wales and the Dulacca Wind Farm in Queensland. They also have a number of wind and solar energy projects in development. This is a great example of how we access investment opportunities at different stages of their development cycle.

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[13] Source: International Energy Agency: Update to Net Zero Roadmap, 2023.

[14] Source: Clean Energy Finance Corporation, May 2023 and AEMO ISP, July 2022.

And then there’s Australian-based Palisade Impact Fund, which focuses on impact investments that contribute practical solutions to climate change by investing in next generation infrastructure. Impact investments are focused on generating strong financial returns alongside measurable social and/or environmental benefits and solutions.

The Palisade Impact Fund targets investments in the development and expansion of assets focused on organic waste to energy conversion such as biogas, biofuel, recycling and reducing waste. So, what does this mean so far for Rest?

As at June 30 2023, Rest had over 1 billion [Australian] dollars invested in physical renewable energy such as windfarms, and low-carbon solution assets, such as waste to energy, 2.4 billion [Australian] dollars invested in listed companies which contribute to the transition to a low carbon economy and 317 million [Australian] dollars invested in green bonds.

The investments I have described are some of our unique large-scale investments that we think will be positively contributing to long-term investment returns for our members, while also supporting our objective to achieve a net zero carbon footprint for the fund by 2050.

As responsible investors, we believe business and investment performance is unlikely to thrive in a world of inequality, unrest and environmental stress. So, we believe it’s in our members’ best financial interests to invest in assets that can generate strong financial returns while also supporting actions that help address social inequality, fair work and climate change.

As well as generating investment returns, how we deploy capital has the potential to contribute to a better world and impact people’s lives for the better. We look to support your future and the future of all Australians with innovative investments that can help you achieve your retirement goals.

And with that, I’ll hand back to Gemma.

[Gemma Kyle]

Thanks Andrew. It’s now time for our Q&A session. We’ll answer as many of your questions as possible tonight. For any questions that we cannot answer during the meeting, we will provide our responses on our website by 27 December 2023.

Just a reminder we can only answer general questions and aren’t able to provide individual financial advice.

Please stay online and we’ll commence in a few moments.

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[Gemma Kyle]

Thanks for waiting everyone.

I now have Vicki, Andrew and James in their seats ready to answer your questions. We also have our internal and external auditors and actuaries available online. To start us off, we'll first answer a couple of questions from members that were pre-submitted ahead of the event tonight. After this, we'll move to questions coming in from you live online.

So let's get into it with our first member question from Katrina and I’ll ask this one for you Vicki. How can I retire when my balance keeps going down?

[Vicki Doyle]

Thank you, Katrina, 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 a positive and negative territory swinging from month to month. And if you're close to retirement, it's actually a really challenging time. Your balance 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 were invested in the Core Strategy.

So Katrina thinking about the circumstances for people who are close to retirement, or starting to think about it, probably the best thing to do is to think about some financial advice. As I referred to earlier, our Rest financial advisors you can talk to. 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, like the case I was explaining earlier about Joan. You might want to look at your insurance. So, there's a range of things that they can provide you and I'd strongly suggest that you give our Rest financial advisors a call.

[Gemma Kyle]

Thanks Vicki. Our next question, that was submitted before the event is from Joanne and she asks, 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?

James I think, could you answer this one.

[James Merlino]

Yes, happy to. Thanks Gemma and Joanne for your question. And 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 the nation'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 cities to our regional communities, our rural communities, our suburbs and we estimate 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 Strait Islander. Earlier this year, we launched our Reconciliation Action Plan (RAP). 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, listening to people, engaging with them on their experiences. Firstly, most importantly, with people like you Joanne, 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 well-being.

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 this 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 are 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. Thanks, Joanne, for your question.

[Gemma Kyle]

Thanks James. The next few questions relate to investments so I'm going to direct them to you Andrew.

Kim and Daniel asked, 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?

[Andrew Lill]

Well, thanks Gemma and Kim and Daniel, I appreciate your question immensely.

So, 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 to making the ideal choice for them.

That's why for many of our default option and our 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 of September of this year, we have closed the Bond and Share options to new members. It means at this point new members can't act to invest in those options. If you want 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'll 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 you give the best options for you going forward.

[Gemma Kyle]

Thanks Andrew. I'm going to keep on with you.

This is a question from Andrew who asks what analysis of the green energy investments is undertaken to ensure these investments don't become stranded assets in 10 years, as new dispatchable power generation technologies are developed?

[Andrew Lill]

Great question. Thank you, Andrew.

So 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. That means that sometimes what we invest in today is not what we are going to be investing in in the next ten years.

Now, when it comes to the difficult question of stranded options, or stranded assets sorry, 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 is 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 of reducing the carbon in our investment portfolio, yet maintaining our returns and best financial interests for our members.

[Gemma Kyle]

Thanks Andrew and thank you for your questions. Keep bringing them in. If we don't answer them tonight, we will definitely get to them and provide answers to them on our website.

So the next question is from Darren. And he asks, have we peaked with the troubled interest rates and is now the time to invest more rather than spending on travel?

[Andrew Lill]

Well Darren, thank you, definitely the question of the moment.

I can't really comment on sort of 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 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 2002, 2022 sorry, 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 are 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. And 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.

[Gemma Kyle]

Okay. Now one more investment question. This one is from Kim, and she asks, do you think we are in an environment where we're at the beginning of a commodity supercycle?

[Andrew Lill]

Kim, thank you. 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 softer commodities like agriculture and then over the course of the last 12 months, oil has risen and we are starting to see China starting to demand more and more iron ore and other harder commodities from Australia as well.

So supercycle is a big word. It tends to point to a prolonged and sustained period of growth in commodities. I do think there are certain commodities, perhaps copper and those that are going to be very involved in the transition of demand to renewables where demand is probably going to be greater than supply. And that will tend to lead to that period of long, period of high returns for certain commodities.

And I think that would tend to bode well for the Australian economy. But again, a certain part 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 it 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.

[Gemma Kyle]

Thanks, Andrew. This next question I'll direct to you Vicki. It's from Alison and she asks, what education is Rest providing to its young members to promote superannuation and as a compliment to financial freedom strategies, especially with work-life balance being a topic of discussion among young people?

[Vicki Doyle]

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 and particularly for younger members and those who are even younger than under their 20s 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-size 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 185,00 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 I really encourage you to go on to the online offerings to see what's available.

[Gemma Kyle]

Thanks Vicki, that super exciting. I've got a question. I'll direct this to you as well Vicki. It's from Robert and he asks what is Rest doing to prevent cybercrime and fraudulent removal of funds?

[Vicki Doyle]

Well, Robert that is such an important and topical question and it's just the environment around cyber and information and data security is just happening 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 over the last couple of years but we're continuing to invest more.

We've really invested in the team. So in the first port of call, we've upgraded our, we've got a head of information security, we’ve brought in a raft of resources who have got real cybercrime, specific skills in software and architecture and all sorts of new careers, if you like, that weren't around a decade or two ago.

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

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

And in fact, the Link Group has a great team called the financial crimes team and we work really closely with them. And I guess finally, the really important thing is that we do a lot of testing and monitoring and looking at all of the ways that might be possible to get into systems or data or identity theft.

So I would say to you Robert, we're going to continue to invest more in this. It's 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 member’s money is safe.

[Gemma Kyle]

Thanks Vicki, that’s great. Our next question is for Andrew. It's from Adele and she asks what is the prospect for property and what type of property are you managing?

[Andrew Lill]

Thanks Adele. Yes, it’s hard to go past any conversation around investing without missing out on property. Look I’d say that the 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 a 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 multi-family housing particularly in some of the growth states of the Southwest where people are moving to.

And into Europe we’re invested into some really 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 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, particularly property that is already built or that is able to be renovated quickly, will continue to command a premium.

And anywhere where you're in the middle of investor flow or in the middle of cities and 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.

[Gemma Kyle]

Thanks Andrew, just keeping on that theme, Michael has asked: what is Rest’s view on affordable housing and do you think Rest might be able to invest in it?

[Andrew Lill]

Well, first and foremost, it has to meet our members best financial interests standards.

I’m really pleased to say, 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 in this period of cost-of-living issues and with high immigration, it’s a really big challenging area for our members. And we definitely want to commit to helping in that regard with our members’ capital.

So we have 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 commitment in this space, but we are imaging in early 2024 there's going to be some exciting developments that we can bring to you, our members.

[Gemma Kyle]

Thanks Andrew. And Michael would like to know what is Rest's performance expectations for this year, June 30 2023 to June 30 2024?

[Andrew Lill]

That is the big question, Michael. Thanks for asking it anyway.

Unfortunately, I don't profess to have great prediction capability, but I would say 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.

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 10 and 20 years as I mentioned earlier, our returns have been in the high 7% per annum.

Last year was a higher year than that, over 9 percent. 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's 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.

That will mean, 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.

[Gemma Kyle]

Great, thanks Andrew.

Okay, so this question is from Oliver and it's a climate change question, so I'll direct it to you Andrew.

Rest remains invested in organisations that contribute to climate change and who keep doing new fossil fuel projects. Companies such as Woodside and Santos are two of the biggest polluters. Rest currently only allows a single non-fossil fuel option, but this can be seen as greenwashing by people. To be an ethical and not greenwashing superannuation fund, why is Rest not committed enough to tackling climate change issue in their investment options? Why is Rest not making a firm stand, such as CBA, saying no more new fossil fuel investments?

[Andrew Lill]

Thank you, Oliver. This is a really important topic and I'm pleased you 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 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, that means selling companies that are potentially a 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 one percent of our portfolio. So still a fairly small allocation to those two companies compared to the size of their Australian equity market. But so, we have made a commitment that we're going to stay invested for the meantime, and we are in active dialogue with both of those companies. We meet with them regularly both ourselves through the investment managers as well we work with and through the advocacy and work with ACSI, one of the industry bodies.

So putting all that together, it means 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 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 a 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 very strong option that will drive long-term valuable returns.

And indeed over the last 12 months over 80,000 [Correction: approximately 2,500] members have joined that particular option that we're delighted by [Rest's Sustainable Growth option had over 8,000 members in total at June 30 2023].[15]

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 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. At this point we believe the dialogue we're having by being an investor is absolutely the best way to see change in Australia.

[Gemma Kyle]

Great, thanks Andrew. This one is for you Vicki. It's from Alex. Do you think Rest will merge with another fund?

[Vicki Doyle]

Thank you, Alex. 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 do 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 two 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'd 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[16]. We've got three insurance products. 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.

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[15] Source: Rest, as at June 30 2023.

[16] Source: Rest analysis using SuperRatings SMART (30/09/2023). Rest Core Strategy compared against the average of 256 available super funds' balanced-style options tracked by SuperRatings. Includes admin fees, investment fees and costs, transaction costs, and costs met from reserves. Other fees and costs may apply. Fees are only one factor to consider when investing super. SuperRatings does not issue, sell, guarantee or underwrite this product. Go to www.superratings.com.au for ratings criteria.

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.

[Gemma Kyle]

Thanks, Vicki. Andrew, this is a question from George. How does a member differentiate the Rest investment team from the other major industry funds? What do you consider to be Rest's investment team's competitive advantages?

[Andrew Lill]
Yeah, thanks George. Great question. So Rest absolutely is committed to delivering strong long-term returns that competitively beat others in the Australian super place. 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 multi-year 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 bringing 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 are after. So it's my commitment to you, George and other members that by doing these three things and then packaging it together in a whole lot of fund solution, we're going to drive those best-in-class member returns going forward.

[Gemma Kyle]

Thanks Andrew. And Daniel asks would Rest consider adding an emerging markets investment option? Additionally, would Rest consider adding a portfolio rebalancing feature?

[Andrew Lill]

Daniel, always an option that we considering, we do like to get member feedback on how to continue to actually refine our investment menu. I mentioned earlier that the Investment Menu, always drives sort of better choices from 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're 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.

[Gemma Kyle]

Thanks Andrew, Vicki this one's for you. 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?

[Vicki Doyle]

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 as I touched on earlier, particularly if you're heading in closer to retirement and the volatility of investment and 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 really 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 maximise 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 your 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.

[Gemma Kyle]

Thanks Vicki. I'm conscious of time. We've got enough time for one more question, which I’m going to throw to you, Andrew. But we will answer all the questions that have come through on our website.

So Grant asks, if I can get a 5% minimum interest rate on fixed time 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?

[Andrew Lill]

Thank you Gemma. Grant, great topic. Isn't it sort of good that finally you can get good returns from 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 do come up with, 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’s on its Investment Menu does have a cash option. The cash option currently yielding just under 5%, 4.9% and importantly it comes with no term to maturity or lock out period.

So you can invest in that, if any point and if any point your situation changes or you decide to invest in different options, you can take that money 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 five percent that's available in the individual banking market. So we’d recommend you give us a call and talk to us about the cash option.

[Gemma Kyle]

Thanks Andrew. We've now come to the end of our Q&A session. Thanks to everyone for your thoughtful questions and taking the time to join us tonight.

More information about Rest’s investments performance and business initiatives can be found on in our Annual Report on our website. As mentioned, we’ll share responses to all your questions, including any we were unable to get to tonight on our website by 27 December.

Thank you again for joining us this evening, and for trusting Rest with your retirement savings.

[ENDS]