Investment Guide
Effective 1 April 2019

The information in this document forms part of the Product Disclosure Statement (PDS) for Rest Super, Rest Corporate and Acumen effective 1 April 2019. You should read the PDS in conjunction with this Investment Guide.

Together towards tomorrow
This is the ‘Investment Guide’. The information in this guide forms part of the ‘Rest Super Product Disclosure Statement’, ‘Rest Corporate Product Disclosure Statement’ and ‘Acumen Product Disclosure Statement’ effective 1 April 2019. The PDS, ‘Additional information on fees and costs’, ‘Acumen Member Guide’ (if applicable) and the relevant Insurance Guide including ‘Your employer plan summary’ (if applicable) contain important information you should consider before making a decision to invest in Rest Super, Rest Corporate or Acumen.

The information in this document is general information only and doesn’t take into account your personal financial situation or needs. You might like to have a chat with a financial adviser if you need advice tailored to your needs.

The information in this document is up to date at the time of preparation and it may change from time to time.

The Trustee (we or us) may update information that is not materially adverse to you, and you can find these updates at rest.com.au/governance

Contact us if you need any further information. The PDS, other important information, and our trust deed are available from us free of charge. This offer is available only to persons receiving (including electronically) the PDS and other important information within Australia.

Issued by Retail Employees Superannuation Pty Limited (Trustee) ABN 39 001 987 739 AFSL 240003 Retail Employees Superannuation Trust (Rest) ABN 62 653 671 394.

Rest Super and Rest Corporate Unique Superannuation Identifier RES0103AU
Acumen Unique Superannuation Identifier RES0104AU
Our investment philosophy

Rest is one of Australia’s largest industry super funds, with around 2 million members and more than $51 billion in funds under management*.

Our mission is to improve the retirement outcomes of our members throughout their lives. We are committed to delivering strong investment returns over the long-term by:

- capturing market opportunities
- managing downside risk
- employing an active investment management approach.

We offer flexible investment options, with competitive fees and investment performance. Most importantly, our members are always at the centre of everything we do.

* As at 31 December 2018
01 | Why your investment choice matters

Your super will grow to be one of the largest sums of money you’ll ever have. How you choose to invest it now can make a big difference to the lifestyle you can support when you retire.

This is because the same amount of money, invested in different investment options, can produce a completely different result for your super savings.

We care about looking after our members, that’s why we’ve designed this guide to give you the information you need to choose the right investment option for you. It covers the basics of investing including asset classes, understanding risk and the Rest investment options that are available to you.

Making a decision about which investment option is right for you doesn’t have to be daunting. As well as reading this guide, you can also use our Rest Advice online tools at rest.com.au/advice to help you feel confident about your investment choices.

For information about the fees and costs of your Rest investment, please read the ‘Additional information on fees and costs’ for your product available at rest.com.au/pds or your Member Guide (Acumen members).
Flexible investment options

Rest understands that members have different needs and financial objectives. That’s why we offer a range of easy to understand investment options with different levels of risk for you to choose from. You can change your investment options anytime.

Advice when you need it

A little advice now can make a big difference later. You won’t pay any extra for chatting with us about your simple super questions.

To find out more visit rest.com.au/advice

Competitive long-term performance

Rest is focused on delivering competitive returns over the long term to help build members’ retirement savings. Our Rest Core Strategy investment option is among the top performers when compared to similar options of other super funds over 10 years.

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Easy and convenient online access

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

You can also check your balance 24/7 in the Rest App.

# SuperRatings Fund Crediting Survey – SR 50 Balanced (60-76) Index. January 2019. Awards and ratings are only one factor to consider when deciding how to invest your super. Further information regarding these awards can be found at rest.com.au Past performance is not an indicator of future performance. SuperRatings Pty Limited does not issue, sell, guarantee or underwrite this product. Go to superratings.com.au for details of its ratings criteria.
02 | Understanding risk

All investments have some level of risk. This section helps you understand risk and what it means for you, so that you can be in the best position to choose the right investment option(s) for your super.

What is risk?

Risk measures the chance that an investment’s actual return will be negative or different from what you expected. An investment is considered to be higher risk if the return moves up and down or fluctuates from year to year – this is known as volatility.

Returns on an investment include any income the investment earns and any increase (or decrease) in the capital value of the investment.

Whilst risk can be minimised, it can’t be completely eliminated. Even the most conservative investments carry some risk, but some investments are riskier than others. Generally, the higher the potential return, the higher the risk of a negative return – this is called the risk return trade-off.

The level of risk is different for each investment option and depends on the underlying mix of assets held in that investment option – for example, cash, bonds, property and shares.

Assets with the highest potential return over the longer term (such as shares and property), generally have the highest risk of negative returns – particularly in the short-term. Whilst assets like cash and bonds, fluctuate less from year to year, but tend to produce lower long-term returns.

Your investment timeframe

Your time horizon, or the period of time that you intend to invest your super, is one of the most critical parts of choosing your investment options. If you are investing for a retirement that is 25 or 30 years away, you may have more time to ride out the ups and downs of the market.

If you’re close to retirement, you may not have the time to ride out a downturn. Your tolerance for volatility in returns (explained above) may be lower and you may prefer investments that historically produce smoother returns from year to year.

However, even after you retire, you may still want to keep some of your money in investments with a potential for higher returns (and therefore higher risk). After all, you may be retired for 10, 20 years or more.
What is the Standard Risk Measure?

The Standard Risk Measure is a guide to the likely number of negative annual returns expected over any 20 year period. It’s a guide to compare investment options across different funds. You can see the Standard Risk Measure for each of our investment options on pages 20-27. The risk bands and risk levels used in the Standard Risk Measure are based on the seven categories listed below:

<table>
<thead>
<tr>
<th>Risk Band</th>
<th>Risk Label</th>
<th>Estimated number of negative annual returns over any 20 year period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Very low</td>
<td>Less than 0.5</td>
</tr>
<tr>
<td>2</td>
<td>Low</td>
<td>0.5 to less than 1</td>
</tr>
<tr>
<td>3</td>
<td>Low to Medium</td>
<td>1 to less than 2</td>
</tr>
<tr>
<td>4</td>
<td>Medium</td>
<td>2 to less than 3</td>
</tr>
<tr>
<td>5</td>
<td>Medium to High</td>
<td>3 to less than 4</td>
</tr>
<tr>
<td>6</td>
<td>High</td>
<td>4 to less than 6</td>
</tr>
<tr>
<td>7</td>
<td>Very High</td>
<td>6 or greater</td>
</tr>
</tbody>
</table>

Things you should to consider

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

- forecasted performance of investment markets
- likely fluctuation in returns
- relationship between different asset classes.

These assumptions are not guaranteed and may change from time to time. A detailed explanation of our approach is available on our website at [rest.com.au/srm](http://rest.com.au/srm).

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

* The expected likelihood of loss is on a before tax basis, without taking into account imputation credits and is before administration fees, but after investment management fees.
Different ways to think about risk

Most people think of risk as the volatility in investment returns, but there are also some other ways to think about risk. For example, there’s the risk that you don’t save enough or make the right investment decisions while you’re working, to achieve the income or lifestyle you want in retirement.

Risks you should consider include:

- **Longevity risk**
  The risk that you will outlive your retirement savings

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

- **Company specific risk**
  An investment in a specific company may be affected by changes to the company such as loss of a major customer, changes in management and other internal and external factors

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

- **Adequacy risk**
  The risk that your super savings may not be enough to generate the retirement income that meets your retirement needs

- **Currency risk**
  Investments in international assets may be affected by currency fluctuations

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

- **Liquidity risk**
  From time to time, some investments may not be easily converted to cash due to abnormal or difficult market conditions
What is inflation and how is it measured?

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

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

Some of Rest’s investment options have inflation or CPI included as part of their objectives. This is something worth considering when you are choosing the most appropriate investment options for your super.

Managing risk with diversification

Rather than putting all your eggs into one basket, you can spread your money across different types of investments to help lower the exposure to a particular asset – this is called diversification. It means that you don’t have to rely on the performance of any one investment because if one falls in value, another may perform well to make up for the loss.

Diversifying across a range of asset sectors, industries and securities can reduce the risk involved with investing in one particular asset class and may improve your investment outcomes.

There are many ways to diversify your investments with Rest

<table>
<thead>
<tr>
<th>Type of diversification</th>
<th>Example</th>
<th>Rest investment option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Across asset classes</td>
<td>A mix of asset classes, such as shares and bonds</td>
<td>Core Strategy, Structured options</td>
</tr>
<tr>
<td>Within asset classes</td>
<td>A mix of securities, such as a mix of companies in different industries when investing in shares</td>
<td>All Rest investment options, except Cash</td>
</tr>
<tr>
<td>Across different countries</td>
<td>A mix of countries and geographical regions with various economic conditions</td>
<td>Core Strategy, all Structured options, Overseas Shares, Overseas Shares - Indexed, Bonds</td>
</tr>
<tr>
<td>Across investment managers</td>
<td>A mix of investment managers, each one having a different approach to investing and outlook on future market movements</td>
<td>All Rest investment options except Basic Cash, Cash, Balanced - Indexed, Australian Shares - Indexed and Overseas Shares - Indexed</td>
</tr>
</tbody>
</table>
How we invest your super

In this section, we explain how your money is invested, the meaning of asset class and how it relates back to risk.

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

We set an investment strategy (a long-term plan) and objective for each of our investment options and regularly monitor the performance of our investment managers to make sure they continue to deliver the best outcome for you.

To enhance returns and/or to reduce the level of risk, we may also choose to invest in securities that fall within the definition of the benchmark (or index) for a particular asset class, but may not currently be included in that benchmark or index. For example, Rest’s Overseas Shares asset class may include small capitalisation or emerging market shares that are not currently listed within the MSCI All Country World ex-Australia Index, but are still part of the underlying market measured by the index.

We may also look to reduce market risk in a particular asset class by excluding certain types of investments from our investment portfolio, purchasing options or using other derivative instruments.

Rest’s primary investment goal is to grow members’ savings by delivering net returns above the rate of inflation (known as real net returns) over the long term.

Understanding asset classes

Most assets fall into two broad groups – defensive assets and growth assets – which offer different risk and return characteristics.

**Defensive assets**
- aim to protect the value of your investment
- lower risk, so chances of a negative return are less
- returns are usually lower, so may not keep pace with the cost of living
- Rest’s defensive assets include Cash, Bonds, and Defensive Alternatives.

**Growth assets**
- aim to increase the value of your investment
- historically produce higher investment returns
- increased risk of negative returns over the short term
- Rest’s growth assets include Australian Shares, Overseas Shares, Property, Infrastructure and Growth Alternatives.

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

What is an index?

An index is a statistical measurement of the changes in value of a sample of securities that represent a portion of the overall market.

For example, the S&P/ASX 300 Accumulation Index (ASX 300) is used as a common measure of the Australian share market and is made up of the top 300 Australian listed shares by market capitalisation.
Most assets are either defensive or growth assets

### Defensive assets

| Cash Securities | A portfolio of securities with a low level of interest rate risk. Includes securities which either have, on average, a short-term to maturity (12 months or less), for example, bank deposits, bank bills and commercial paper, or securities which have a floating interest rate that resets over short-term periods (12 months or less) such as residential mortgage backed securities. |
| Bonds | A mixture of Australian and overseas debt securities issued by governments, semi-government authorities and companies. Bonds typically have a fixed coupon paid on a regular basis and are exposed to both interest rate risk (the impact that changing interest rates have on bond values) and default risk. |
| Defensive Alternatives | A diversified source of defensive returns using absolute return investments. Absolute return investments combine investments in traditional securities like shares, bonds and derivatives, with strategies that look to produce returns with relatively low volatility in all market conditions and cycles. |

### Growth assets

| Property | Includes investments in businesses (both local and overseas) that may develop and/or manage student and residential accommodations, shopping centres and industrial properties, and directly held commercial office buildings. Property investments can rise and fall in value over time. |
| Shares | Represent part-ownership in a company. Shares generally provide returns in the form of dividends and, in the longer term, in the form of capital gains, but capital losses (negative returns) are also possible. Different categories of shares include: |
| | • Australian shares – investments in companies listed on the Australian Securities Exchange. |
| | • Overseas shares – investments in companies operating overseas listed on foreign exchanges. |
| Infrastructure | Includes investments (directly or indirectly) in transport and utility assets, such as airports, toll roads, shipping ports, electricity and gas generation and distribution assets. |
| Growth Alternatives | Made up of alternative assets with growth characteristics and includes Equity Strategies, Credit, Private Equity and Agricultural investments. |
| | • **Equity Strategies** – invest in share and equity-based investments, including long/short strategies. |
| | • **Credit** – invest in credit securities like high-yield bonds, bank loans and asset-backed securities. |
| | • **Agricultural investments** – invest in agricultural holdings such as farms and include a portfolio of grain farming and agricultural land. |
| | • **Private Equity** – invest in companies that are not listed on a stock exchange. |

*The words in *italics* have technical meanings and are explained in more detail on page 32.*

*The descriptions of the asset classes in the table may not cover all the types of investments that are included in Rest’s asset classes.*
Asset classes and risk

Most investments fall into two broad asset classes – growth and defensive. The diagram below shows where each of Rest’s investment options fit on a scale of defensive to growth.
Asset classes and performance

To show an example of the relationship between risk and return, the graph below shows how different asset classes have performed over the last 25 years. It also shows that share markets move up and down from year to year, indicating they are more volatile and carry a higher level of risk. However, over the long-term, these asset classes have also produced higher returns than bonds and cash. Alternatively, leaving your super invested in less volatile assets that carry a lower level of risk, like cash and bonds, may be the safest option in the short-term, but over the long-term, may not provide the investment return you need to meet your retirement income or lifestyle goals.

Asset class performance since 1993

How $10,000 invested in each asset class from 1 July 1993 would have grown over 25 years.

The index returns in the graph are derived from the following indices:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian shares</td>
<td>S&amp;P/ASX 300 Accumulation Index</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>MSCI Daily Total Return Net World Index ex Australia in A$</td>
</tr>
<tr>
<td>Property</td>
<td>Mercer Unlisted Property Index</td>
</tr>
<tr>
<td>Bonds</td>
<td>50% Bloomberg AusBond Composite 0+ Yr Index (all maturities) and 50% Citigroup World Government Bond Index (hedged)</td>
</tr>
<tr>
<td>Cash</td>
<td>Bloomberg AusBond Bank Bill Index</td>
</tr>
</tbody>
</table>

Please note that:

- returns are not guaranteed and are current to 30 June 2018
- past performance is not an indication of future performance
- negative returns are possible over any given period
- returns shown are based on market indices
- returns quoted are before tax and fees (unless otherwise specified).
Choosing your investment

This section will help you understand asset allocation and the difference between Rest’s pre-mixed investment options and creating your own portfolio.

Rest understands that your needs, tolerance to risk and retirement goals can change over time, so our investment options are flexible and designed to meet your needs.

You can choose to invest your current savings one way and future transactions in another. By having these choices, you can make sure that your investment strategy continues to meet your needs and retirement goals, at the level of risk you feel comfortable with.

We make it easy for you to choose the right investments for your super, with a choice to invest in a single option, or a mix of the Core Strategy, Structured and Member-tailored options. You are not locked in to your investment option. You can change it at any time.

Your asset allocation options

Pre-mixed
- choose from a diverse range of pre-mixed or structured options, each with a different balance of asset classes and weightings

Choose from:
- Core Strategy
- Capital Stable
- Balanced
- Balanced - Indexed
- Diversified
- High Growth

• Core Strategy is actively managed by Rest, with an asset allocation that is reviewed on an ongoing basis and adjusted to consider current and expected market conditions.
• our other structured options offer a pre-determined mix of asset classes based on the investment objective. We do not actively manage the asset allocation of these options.

Build your own
- create your own portfolio using our member-tailored options

Choose from:
- Basic Cash
- Cash
- Bonds
- Property
- Shares
- Australian Shares
- Australian Shares - Indexed
- Overseas Shares
- Overseas Shares - Indexed

• choose the percentage you’d like from each option to make up your total investment.
• you can review and rebalance your percentages to suit future circumstances.

When you first join Rest Super or Rest Corporate, your super will automatically be invested in Rest’s Core Strategy, unless you tell us otherwise.
What is asset allocation?

Asset allocation is a bit like making wine. Just as a winemaker blends different grape varieties to achieve a certain flavour, you can combine different asset classes to achieve a portfolio risk and return profile that best meets your needs. The process of asset allocation involves deciding how much money you want to invest in each asset class (usually as a percentage or weighting of your total investment portfolio).

The amount of money you choose to allocate to each asset class depends on what you want to achieve. For example, if your goal is to maximise your investment returns over the long-term, you might consider investing most of your money in growth assets and the rest in defensive assets.

Rest’s investment options let you decide how involved you want to be with your asset allocation. You have the option of either choosing a pre-mixed asset allocation, or you can actively manage your own asset allocation.
REST INVESTMENT OPTIONS

### Core Strategy

<table>
<thead>
<tr>
<th>Features</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pre-mixed across asset classes</td>
<td>Rest’s Core Strategy aims to achieve a balance of risk and return by investing in both growth and defensive assets. The Core Strategy is reviewed by the Trustee regularly and the asset allocation is actively managed, taking into account current and expected market conditions. Your money is invested in various asset classes, including cash, bonds, property, infrastructure, alternative investments and shares, and the investment mix is adjusted around the benchmark weighting within the ranges nominated by the Trustee. We also actively monitor the overall exposure to foreign currencies and may change the level of exposure as a result of changes in foreign currency markets. More information about the Core Strategy can be found on page 20 of this guide.</td>
</tr>
<tr>
<td>• Rest actively manages the asset allocation</td>
<td></td>
</tr>
</tbody>
</table>

### Structured options

<table>
<thead>
<tr>
<th>Features</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pre-mixed across asset classes</td>
<td>Rest’s Structured options are invested across a mix of different asset classes to match different member needs. We determine an appropriate asset allocation to enable each option to achieve its investment objective. Members may choose either one or a mix of the structured options listed in the table on pages 20-23. The asset allocation of the Structured options are reviewed at least on an annual basis. We will not normally change the asset allocation of the options more frequently in response to changing market conditions.</td>
</tr>
<tr>
<td>• Asset allocation reviewed at least annually*</td>
<td></td>
</tr>
</tbody>
</table>

### Member-tailored options

<table>
<thead>
<tr>
<th>Features</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Build your own customised portfolio*</td>
<td>Rest’s Member-tailored options invest in single asset classes and are best suited to members who want to build their own customised portfolio. You can choose from one or more of the asset classes listed on pages 23-27. With this option, you choose the asset allocation – we do not actively manage the asset allocation in your portfolio. To achieve diversification in your portfolio, you may need to choose a combination of multiple investment options. Your portfolio may have a higher level of risk depending on the asset classes you choose - for example, if you choose to invest only in shares.</td>
</tr>
</tbody>
</table>

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**Help to choose the option that’s right for you**

Choosing your investment options can be hard work, but help is at hand. At rest.com.au/advice you’ll find the Rest Advice online tool which you can use to check your investor profile to help you see which investments might best suit you. If you feel you’d like some extra guidance, you can chat over the phone with a Rest Adviser^*. Just visit rest.com.au to book your appointment.

Rest Advice doesn’t charge any extra for simple super questions. If you need more complex advice or face to face financial planning, you’ll be charged a fee, and we’ll always talk to you about this fee first.

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\* The Trustee sets and reviews asset weightings from time to time to take into account changing market conditions, but does not do this on an active basis.

\* Except the Shares option, which is pre-mixed across Australian and overseas shares.

\* Rest financial advice is provided by Rest Advisers as authorised representatives of Link Advice Pty Ltd ABN 36 105 811 836 AFSL 258145.
You can change your choice at any time

You have the flexibility to change your investment option(s) at any time – this is known as a ‘switch’.

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

• your current account balance only
• the way future transactions are applied, or
• both.

Please see the terms on ‘How to switch an investment option’ at rest.com.au/investments-switch. Your switch will be confirmed in writing once it has been processed. If you switch online, you will receive a printable confirmation. There is a separate buy and sell unit price for each option. When money is invested in an option, it will generally use the buy price. When money is withdrawn from an option it will generally use the sell price.

You can login to MemberAccess at rest.com.au to switch your investment options online. You will need your Rest member number and password to login.

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

If you have any difficulties logging into MemberAccess, one of our Live Chat agents can help.
05 | Investment options

The next few pages show Rest’s investment options in detail, so you can compare different options and make an investment choice that’s right for you.

We’ve explained the important terms used in the tables in the Core Strategy example on the next page. It’s also important to know:

- The returns on the following pages are quoted at 30 June each year after fees and taxes (not directly charged to your account) have been deducted, unless otherwise specified. The returns are current as at 30 June 2018.
- Exposure to offshore investments in all asset classes other than Overseas Shares are managed against a hedged benchmark. For the Core Strategy, Capital Stable, Balanced, Diversified and High Growth investment options, we actively monitor the overall exposure to foreign currencies and may reduce the actual level of exposure by the implementation of currency hedges to maintain an appropriate balance of risk.
- Rest may vary the asset allocations (including the benchmark and ranges) of all or any of these options, introduce new options and close existing options, without prior notice. The asset allocations for each investment option are available at rest.com.au/investments
- The investment return objectives quoted on pages 20-27 of this document are not guaranteed to be realised. This also applies to indexed options (see page 30 for more information regarding these options). Your investment in Rest is not guaranteed. The value of your investment can rise or fall. The returns shown for each investment option are based on the past performance of investment markets that may not be repeated in the future – they have been quoted to indicate the expected relative performances of the investment options over the long-term.
- Past performance is not an indication of future performance. You should consider getting financial advice before making an investment decision.
Structured options

Core Strategy

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

Investment return objective CPI + 3% pa over the long-term (rolling 10 year periods).

Asset allocation

24% defensive, 76% growth
A balanced mix of shares and bonds (both Australian and overseas), property, infrastructure, alternative assets and cash.

Minimum suggested timeframe
10+ years

Standard Risk Measure
3 to less than 4

Risk band and level
5, Medium to High

What this option has returned

Yearly return

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>13.29%</td>
</tr>
<tr>
<td>2015</td>
<td>9.47%</td>
</tr>
<tr>
<td>2016</td>
<td>1.82%</td>
</tr>
<tr>
<td>2017</td>
<td>11.07%</td>
</tr>
<tr>
<td>2018</td>
<td>8.76%</td>
</tr>
</tbody>
</table>

Annualised return pa

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>8.81%</td>
</tr>
<tr>
<td>Ten year</td>
<td>7.44%</td>
</tr>
</tbody>
</table>

Understanding your investment options

The return we are aiming to achieve for this investment option. It is not a guaranteed rate of return.

The asset classes that make up this investment option.

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

Name of investment option.

The type of member this investment might suit.

How this investment option is spread across the different categories of investments, asset classes.

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

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

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

What this investment option has returned in a particular year.

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

Core Strategy

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

**Investment return objective** CPI + 3% pa over the long-term (rolling 10 year periods).

**Asset allocation**

24% defensive, 76% growth

A balanced mix of shares and bonds (both Australian and overseas), property, infrastructure, alternative assets and cash.

- Cash Securities 8% (0-25%)
- Bonds 6% (5-50%)
- Defensive alternatives 10% (0-25%)
- Growth alternatives 19% (0-30%)
- Infrastructure 8% (0-20%)
- Property 9% (0-25%)
- Australian Shares 17% (10-45%)
- Overseas Shares 23% (10-45%)

**Minimum suggested timeframe**

10+ years

**Standard Risk Measure**

3 to less than 4

**Risk band and level**

5, Medium to High

**What this option has returned**

**Yearly return**

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>13.29%</td>
</tr>
<tr>
<td>2015</td>
<td>9.47%</td>
</tr>
<tr>
<td>2016</td>
<td>1.82%</td>
</tr>
<tr>
<td>2017</td>
<td>11.07%</td>
</tr>
<tr>
<td>2018</td>
<td>8.76%</td>
</tr>
</tbody>
</table>

**Annualised return pa**

<table>
<thead>
<tr>
<th>Period</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>8.81%</td>
</tr>
<tr>
<td>Ten year</td>
<td>7.44%</td>
</tr>
</tbody>
</table>

Structured options

Capital Stable

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

**Investment return objective** CPI + 1% pa over the medium-term (rolling 4 year periods).

**Asset allocation**

62% defensive, 38% growth

Mainly bonds (both Australian and overseas) and cash, with smaller proportions of shares (both Australian and overseas), property, infrastructure and alternative assets.

- Cash Securities 32%
- Bonds 16%
- Defensive alternatives 14%
- Growth alternatives 10%
- Infrastructure 4%
- Property 5%
- Australian Shares 8%
- Overseas Shares 11%

**Minimum suggested timeframe**

4+ years

**Standard Risk Measure**

1 to less than 2

**Risk band and level**

3, Low to Medium

**What this option has returned**

**Yearly return**

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>7.58%</td>
</tr>
<tr>
<td>2015</td>
<td>7.17%</td>
</tr>
<tr>
<td>2016</td>
<td>1.81%</td>
</tr>
<tr>
<td>2017</td>
<td>6.97%</td>
</tr>
<tr>
<td>2018</td>
<td>4.53%</td>
</tr>
</tbody>
</table>

**Annualised return pa**

<table>
<thead>
<tr>
<th>Period</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>5.59%</td>
</tr>
<tr>
<td>Ten year</td>
<td>5.67%</td>
</tr>
</tbody>
</table>
## Structured options

### Balanced

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

**Investment return objective** CPI + 2% pa over the medium-term (rolling 6 year periods).

**Asset allocation**

43% defensive, 57% growth

A mix of shares and bonds (both Australian and overseas), property, infrastructure, alternative assets and cash.

- Cash Securities 20%
- Bonds 10%
- Defensive alternatives 13%
- Growth alternatives 14%
- Infrastructure 6%
- Property 6%
- Australian Shares 13%
- Overseas Shares 18%

**Minimum suggested timeframe**

6+ years

**Standard Risk Measure**

2 to less than 3

**Risk band and level**

4, Medium

**What this option has returned**

**Yearly return**

- 2014: 10.01%
- 2015: 8.99%
- 2016: 1.87%
- 2017: 9.26%
- 2018: 6.45%

**Annualised return pa**

- Five year: 7.28%
- Ten year: 6.56%

### Balanced - Indexed

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

**Investment return objective** Perform in line with the benchmark return (before tax) over all time periods. The benchmark is calculated using the S&P/ASX300 Accumulation Index, the MSCI World ex-Australia ex-Tobacco Net Dividends Reinvested Index, the Bloomberg AusBond Composite 0+ Years Index, the Citigroup Global Bond Index ex-Australia (hedged to AUD) and the Bloomberg AusBond Bank Bill Index.

**Asset allocation**

25% defensive, 75% growth

- Cash Securities 5%
- Bonds 20%
- Australian Shares 30%
- Overseas Shares 45%

**Minimum suggested timeframe**

12+ years

**Standard Risk Measure**

4 to less than 6

**Risk band and level**

6, High

**What this option has returned**

Not available, as this option commenced in 2018.
Structured options

**Diversified**

**Aim** Achieve strong returns over the longer term by investing in a diversified mix of assets weighted towards shares and other growth assets.

**Investment return objective** CPI + 3% pa over the long-term (rolling 10 year periods).

**Asset allocation**

**23% defensive, 77% growth**

Australian and overseas shares, property, infrastructure, alternative assets plus smaller amounts of bonds (both Australian and overseas) and cash.

![Asset Allocation Chart]

- Cash Securities 7%
- Bonds 7%
- Defensive alternatives 9%
- Growth alternatives 17%
- Infrastructure 8%
- Property 8%
- Australian Shares 19%
- Overseas Shares 25%

**Minimum suggested timeframe**

10+ years

**Standard Risk Measure**

3 to less than 4

**Risk band and level**

5, Medium to High

**What this option has returned**

**Yearly return**

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>13.08%</td>
</tr>
<tr>
<td>2015</td>
<td>11.26%</td>
</tr>
<tr>
<td>2016</td>
<td>2.01%</td>
</tr>
<tr>
<td>2017</td>
<td>11.84%</td>
</tr>
<tr>
<td>2018</td>
<td>8.71%</td>
</tr>
</tbody>
</table>

**Annualised return pa**

<table>
<thead>
<tr>
<th>Period</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>9.31%</td>
</tr>
<tr>
<td>Ten year</td>
<td>7.54%</td>
</tr>
</tbody>
</table>

Structured options

**High Growth**

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

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

**Asset allocation**

**7% defensive, 93% growth**

Australian and overseas shares, property, infrastructure and alternative assets.

![Asset Allocation Chart]

- Defensive alternatives 7%
- Growth alternatives 20%
- Infrastructure 8%
- Property 9%
- Australian Shares 24%
- Overseas Shares 32%

**Minimum suggested timeframe**

12+ years

**Standard Risk Measure**

4 to less than 6

**Risk band and level**

6, High

**What this option has returned**

**Yearly return**

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>15.17%</td>
</tr>
<tr>
<td>2015</td>
<td>12.80%</td>
</tr>
<tr>
<td>2016</td>
<td>1.81%</td>
</tr>
<tr>
<td>2017</td>
<td>13.71%</td>
</tr>
<tr>
<td>2018</td>
<td>10.45%</td>
</tr>
</tbody>
</table>

**Annualised return pa**

<table>
<thead>
<tr>
<th>Period</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>10.68%</td>
</tr>
<tr>
<td>Ten year</td>
<td>8.16%</td>
</tr>
</tbody>
</table>
Member-tailored options

**Basic Cash**

**Aim** Achieve the investment objective by maintaining a defensive investment in short term bank and Australian government cash, debt securities and deposits.

**Investment return objective** Match the return of the Reserve Bank cash rate target before tax and before fees over rolling 1 year periods.

**Asset allocation**

100% defensive

The portfolio will invest in deposits with, or short-term discount securities (bank bills and negotiable certificates of deposit) issued by, banks rated at least AA- at the time of purchase. It may also invest in short-dated debt issued and guaranteed by the Australian Commonwealth or State Governments. All securities will have a maximum term to maturity of three months.

**Minimum suggested timeframe**

3 months or less

**Standard Risk Measure**

Less than 0.5 of a year

**Risk band and level**

1, Very Low

**What this option has returned**

<table>
<thead>
<tr>
<th>Yearly return</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2.24%</td>
</tr>
<tr>
<td>2015</td>
<td>2.04%</td>
</tr>
<tr>
<td>2016</td>
<td>1.81%</td>
</tr>
<tr>
<td>2017</td>
<td>1.45%</td>
</tr>
<tr>
<td>2018</td>
<td>1.51%</td>
</tr>
</tbody>
</table>

**Annualised return pa**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>1.81%</td>
</tr>
<tr>
<td>Ten year</td>
<td>N/A</td>
</tr>
</tbody>
</table>

---

**Cash**

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

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

**Asset allocation**

100% defensive

From 1 April 2019 Deposits with banks rated at least AA- at the time the deposit is made. The portfolio invests exclusively into deposits with Australia and New Zealand Banking Group Limited (ANZ).

**Minimum suggested timeframe**

3 months or less

**Standard Risk Measure**

Less than 0.5 of a year

**Risk band and level**

1, Very Low

**What this option has returned**

<table>
<thead>
<tr>
<th>Yearly return</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2.62%</td>
</tr>
<tr>
<td>2015</td>
<td>2.36%</td>
</tr>
<tr>
<td>2016</td>
<td>2.04%</td>
</tr>
<tr>
<td>2017</td>
<td>1.93%</td>
</tr>
<tr>
<td>2018</td>
<td>1.83%</td>
</tr>
</tbody>
</table>

**Annualised return pa**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>2.15%</td>
</tr>
<tr>
<td>Ten year</td>
<td>2.89%</td>
</tr>
</tbody>
</table>
Member-tailored options

**Bonds**

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

**Investment return objective** Outperform the benchmark return (before tax and after fees) over rolling 2 year periods. The benchmark is calculated using the Bloomberg AusBond Composite 0+ Yr Index, Bloomberg AusBond Inflation 0+ Yr Index, Citigroup World Government Inflation Linked Bond Index (hedged) and Barclays Global Inflation Linked Bond Index (hedged).

**Asset allocation**

**100% defensive**

A mixture of Australian and overseas debt securities issued by Governments, semi-government authorities and companies.

**Minimum suggested timeframe**

4+ years

**Standard Risk Measure**

2 to less than 3

**Risk band and level**

4, Medium

**What this option has returned**

**Yearly return**

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4.89%</td>
</tr>
<tr>
<td>2015</td>
<td>5.80%</td>
</tr>
<tr>
<td>2016</td>
<td>1.62%</td>
</tr>
<tr>
<td>2017</td>
<td>3.73%</td>
</tr>
<tr>
<td>2018</td>
<td>1.00%</td>
</tr>
</tbody>
</table>

**Annualised return pa**

<table>
<thead>
<tr>
<th>Period</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>3.39%</td>
</tr>
<tr>
<td>Ten year</td>
<td>5.68%</td>
</tr>
</tbody>
</table>

---

Member-tailored options

**Property**

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

**Investment return objective** Outperform both the Mercer/IPD Australian Pooled Property Fund Index (before tax and after fees) over rolling 3 year periods and the 10 year bond rate plus 3% p.a. over rolling 5 year periods.

**Asset allocation**

**100% growth**

(for further information, please see pages 28-29).

**Minimum suggested timeframe**

10+ years

**Standard Risk Measure**

3 to less than 4

**Risk band and level**

5, Medium to High

**What this option has returned**

**Yearly return**

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>7.74%</td>
</tr>
<tr>
<td>2015</td>
<td>6.01%</td>
</tr>
<tr>
<td>2016</td>
<td>12.99%</td>
</tr>
<tr>
<td>2017</td>
<td>11.77%</td>
</tr>
<tr>
<td>2018</td>
<td>10.74%</td>
</tr>
</tbody>
</table>

**Annualised return pa**

<table>
<thead>
<tr>
<th>Period</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>9.82%</td>
</tr>
<tr>
<td>Ten year</td>
<td>5.50%</td>
</tr>
</tbody>
</table>
**Member-tailored options**

### Shares

**Aim** Achieve the investment objective through an investment in the Australian Shares asset class.

**Investment return objective** Outperform the benchmark return (before tax and after fees) over rolling 3 year periods. The benchmark is calculated using the S&P/ASX 300 Accumulation Index and the MSCI All Country World ex-Australia Index in $AUD.

#### Asset allocation

**100% growth**

A mixture of Australian and overseas shares.

- Australian shares 40%
- Overseas shares 60%

#### Minimum suggested timeframe

12+ years

#### Standard Risk Measure

4 to less than 6

### What this option has returned

#### Yearly return

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>19.24%</td>
</tr>
<tr>
<td>2015</td>
<td>15.41%</td>
</tr>
<tr>
<td>2016</td>
<td>-0.57%</td>
</tr>
<tr>
<td>2017</td>
<td>15.84%</td>
</tr>
<tr>
<td>2018</td>
<td>14.11%</td>
</tr>
</tbody>
</table>

#### Annualised return pa

<table>
<thead>
<tr>
<th>Period</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>12.58%</td>
</tr>
<tr>
<td>Ten year</td>
<td>8.93%</td>
</tr>
</tbody>
</table>

---

**Member-tailored options**

### Australian Shares

**Aim** Achieve the investment objective through an actively managed investment in the Australian Shares asset class.

**Investment return objective** Outperform the S&P/ASX 300 Accumulation Index (before tax and after fees) over rolling 3 year periods.

#### Asset allocation

**100% growth**

Australian Shares 100%

#### Minimum suggested timeframe

12+ years

#### Standard Risk Measure

6 years or greater

#### Risk band and level

7, Very High

### What this option has returned

#### Yearly return

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>18.39%</td>
</tr>
<tr>
<td>2015</td>
<td>7.49%</td>
</tr>
<tr>
<td>2016</td>
<td>3.32%</td>
</tr>
<tr>
<td>2017</td>
<td>13.98%</td>
</tr>
<tr>
<td>2018</td>
<td>16.74%</td>
</tr>
</tbody>
</table>

#### Annualised return pa

<table>
<thead>
<tr>
<th>Period</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>11.84%</td>
</tr>
<tr>
<td>Ten year</td>
<td>8.78%</td>
</tr>
</tbody>
</table>
**Member-tailored options**

**Australian Shares - Indexed**

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

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

**Asset allocation**

100% growth

---

**Overseas Shares**

**Aim** Achieve the investment objective through an investment in overseas shares.

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

**Asset allocation**

100% growth

---

**Minimum suggested timeframe**

12+ years

**Standard Risk Measure**

6 or greater

**Risk band and level**

7, Very High

**What this option has returned**

Not available, as this option commenced in 2018.

---

**Yearly return**

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>19.61%</td>
</tr>
<tr>
<td>2015</td>
<td>20.46%</td>
</tr>
<tr>
<td>2016</td>
<td>-3.69%</td>
</tr>
<tr>
<td>2017</td>
<td>16.69%</td>
</tr>
<tr>
<td>2018</td>
<td>11.95%</td>
</tr>
</tbody>
</table>

**Annualised return pa**

<table>
<thead>
<tr>
<th>Period</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five year</td>
<td>12.63%</td>
</tr>
<tr>
<td>Ten year</td>
<td>8.34%</td>
</tr>
</tbody>
</table>
Member-tailored options

**Overseas Shares - Indexed**

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

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

**Asset allocation**

100% growth

- Overseas Shares 100%

**Minimum suggested timeframe**

12+ years

**Standard Risk Measure**

4 to less than 6

**Risk band and level**

6, High

**What this option has returned**

Not available, as this option commenced in 2018.
Unit prices and working out the value of your account

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

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

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

Unit prices include an allowance for costs that would be incurred if the underlying assets were purchased or sold on the day the unit prices are calculated. Income entitlements are included in asset values to calculate the unit price.

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

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

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

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

When you switch out of an investment option or leave the Fund, the sell unit price used is at the time that your transaction is processed.

Unit prices can vary. You should check the latest prices before making a decision.

Valuation Policy

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

Directly held property and unlisted assets are valued on a regular basis according to an approved valuation methodology. It should also be noted that the unit price for the Property option is based on valuations that are less frequent than it is for assets like shares which are traded daily in the public markets and may differ significantly from changes in the value of listed assets.

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

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

Valuation considerations for Rest’s Property option

Rest’s Property option has a benchmark allocation of 100% to direct property and unlisted property trusts. These investments are not listed and are not traded frequently in the marketplace, such as the share market.

They are effectively ‘illiquid’ assets, which means that they cannot be bought and sold quickly and valuations are updated less frequently than is the case for listed investments. The unit price for the Property option is based on the combined valuations of the underlying direct properties and unlisted property trusts. The valuations are undertaken regularly and by independent valuers, but are less frequent than for assets such as shares which are traded daily in the public markets and therefore subject to influences such as market sentiment.
This means that changes in the unit price of the Property option may differ significantly from changes in the value of listed property assets. Rest’s directly held properties are re-valued quarterly by qualified external property valuers and the valuations for the unlisted unit trusts are undertaken in accordance with each manager’s valuation policies and the frequency of valuation updates ranges from daily up to a maximum of one year. Despite the illiquid nature of the assets for the Property option, Rest is generally able to provide liquidity to Rest members due to internal processes which have been established, and hence facilitate members wishing to buy or sell Property option units within the standard timeframes used for all other options.

Rest aims to hold a diversified range of investments and this approach is applied to the Property asset class. However, due to the high value nature of some of the properties, some assets may constitute a relatively large percentage of the asset class. For example, as at 30 June 2018, the two largest commercial office buildings located in the Sydney and Melbourne CBD constitute more than 18% of the Property asset class.

**Property option terms and conditions**

Members choosing to invest in Property must agree to terms and conditions which will allow the Trustee, without prior notice, to place a freeze on transactions in the Property option for a period of up to two years.

These terms and conditions have been introduced for the purpose of complying with the illiquid investment rules in Regulation 6.34A of the Superannuation Industry (Supervision) Regulations 1994.

Members (including pension members) who select the Property option as part of their investment choice, must agree to the following terms and conditions:

(a) the Property option is an illiquid investment because either or both of the following apply to the underlying investments:

(i) the underlying investment (being either direct property or units in an unlisted property trust) cannot be converted to cash within 30 days to meet a member’s or pension member’s withdrawal, rollover, transfer or switch request (‘Transaction Request’) out of the Property option;

(ii) converting the underlying investment of the Property option into cash within 30 days would be likely to have a significant adverse impact on the realisable value of the investment;

(b) the Trustee is not required to process Transaction Requests within 30 days;

(c) the Trustee will process Transaction Requests within 30 days, unless the Trustee has frozen Transaction Requests out of the Property option;

(d) the Trustee may, without prior notice, freeze Transaction Requests out of the Property option for up to two years and the member (including a pension member, to the extent applicable – see below) waives their right to require the Trustee to process any Transaction Request they make until the freeze is over due to the illiquid nature of the underlying investments; and

(e) the Trustee may at any time close the Property option to new contributions. In the case of pension members qualifications to the freeze terms apply – see below.

Qualifications to the Property option freeze terms and conditions apply to pension members

Qualifications to the Property option freeze terms and conditions apply to pension members. Relevantly:

(a) Pension members may only elect to have a maximum of 80% of their entire initial balance invested in the Property option.

(b) If the Trustee determines to freeze Transaction Requests out of the Property option and a pension member has less than (or equal to) 80% of their entire balance invested in the Property option on a pension payment date during the freeze, then that pension member will still receive his or her nominated pension payment due on that pension payment date (paid firstly from and in proportion to their non-Property balance(s) on that pension payment date).

(c) If the Trustee determines to freeze Transaction Requests out of the Property option and a pension member has more than 80% of their entire balance invested in the Property option on a pension payment date during the freeze, then that pension member will receive his or her minimum legislated pension payment amount (but no more) on that pension payment date (paid firstly from and in proportion to their non-Property balance(s) on that pension payment date).
Indexed options

Rest does not guarantee that an investment in an indexed option will achieve the relevant index benchmark across time. The reasons that the relevant indexed return may not be realised include:

- any fees or costs that are incurred (such as buy/sell spread or indirect costs) will reduce your returns below the indexed return
- in relation to the balanced index option – the various underlying investments may (between rebalance dates) not be held in the same proportions as the calculated benchmark. This may result in the calculated benchmark not being realised
- the composition (tax character) of the return is likely to be different to the underlying index. That is, the investment is likely to have a different split between income and capital returns which, post tax, are likely to result in a different return to that of the index. This may arise from underlying transactions and/or result from the mechanisms (such as derivatives) that are used to provide the indexed return
- index publishers occasionally restate or republish index values. The investment return may not be able to be adjusted to reflect any retrospective alteration
- the mechanisms Rest uses to provide the indexed return (ie, underlying investments and any associated derivatives) may cease to operate in certain circumstances. This could result in a delay or failure to realise the indexed return. Those circumstances may also result in additional indirect costs being attributable to the indexed options, which would further reduce the indexed return.

Asset description and reporting

Rest’s description and reporting of asset classes, asset allocations, investment options and returns may be impacted by the use of derivatives. Within asset classes, there can be, from time to time, a holding of cash securities depending on how investment managers are structuring their portfolios.

Trustee investment strategy

Rest may change the underlying investment managers of the investment options at any time. We may also close investment options and introduce new investment options at any time. Within each asset class, the Trustee may implement particular investment strategies to enhance returns or reduce risk. This may be achieved by making or excluding particular investments and through the use of derivatives.

Reserves

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

Derivatives

Derivatives can refer to a wide range of financial instruments, the most common of which are futures and options. They are called derivatives because they typically ‘derive’ their price from the value of an underlying security.

The attraction of derivatives is that they can give investors the same degree of market exposure as the underlying assets, but with much lower transaction costs.

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

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

Superannuation law and the Australian Prudential Regulation Authority (APRA) have laid down strict conditions on the use of derivatives by super funds. Rest monitors its investment managers’ compliance with those conditions. In the long-term, the use of derivatives is expected to enhance Rest’s investment returns and provide an effective way to manage risk, although the effect will vary from year to year.
Our approach to sustainable investing

We understand that managing the retirement savings of around 2 million Australians is serious business. The investment decisions you’ve entrusted us to make for your savings will have a real impact on your super’s investment performance over the long term.

Our members’ interests at heart

Acting in the best interests of our members - as a whole - at all times is at the heart of everything we do. We have a responsibility to promote the financial interests of our very diverse member base as a whole, including our MySuper members, without favouring any one group of members. And we believe the best way we can do this is to invest in a way that focuses on delivering sustainable long-term investment performance.

What sustainable investing means

Sustainable investing means considering factors which have the potential to impact the long-term financial performance of an investment. These factors include environmental, social and governance factors (ESG), labour standards, ethical considerations, technological advances or legislative changes.

For example, climate change can create risks and opportunities for many types of investments and so we take account of this when we think about the different asset classes we invest in, the investment managers we choose to invest members’ funds, and our overall investment strategy.

How we invest

When Rest invests through investment managers, we expect them to assess and consider a broad range of sustainability factors when making investment decisions. These include environmental, social and governance factors (ESG), labour standards, ethical considerations, technological advances, legislative changes, as well as valuation, risks to revenues, gearing levels, financial stability and regulatory risk. We also expect that our investment managers consider sustainability factors and their impact on the long-term investment performance when exercising voting rights and participating in corporate actions.

We consider the same factors when we invest directly or control investment decisions.

We regularly engage with our investment adviser and managers to ensure sustainability matters are adequately covered within Rest’s investment processes.

We may at times decide that certain types of investments should not be invested in. This may be on a number of grounds, where relevant, including labour standards, or environmental, social or ethical considerations. For example, our investment managers are not permitted to invest in companies directly involved in the manufacture of tobacco, cluster bombs, landmines, uranium weapons and chemical and biological weapons or their key parts. We expect our investment managers to adhere to our exclusions and we will monitor their actions.

A strategic risk management issue

Fundamentally, we believe that sustainable investing is a strategic risk management issue. In other words, we believe that by successfully identifying and understanding how sustainability factors impact investments over the long term, Rest is well-placed to meet our long-term investment objectives, and our fiduciary duty to act in the best interests of all our members.

For the latest information about Rest and sustainable investing, go to rest.com.au/sustainable-investing
## Terms explained

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aim</strong></td>
<td>The goal for the investment option, to be assessed against the investment return objective.</td>
</tr>
<tr>
<td><strong>Asset allocation</strong></td>
<td>How an investment is spread across the different asset classes.</td>
</tr>
<tr>
<td><strong>Asset class</strong></td>
<td>A category of investment, such as shares, fixed interest or property.</td>
</tr>
</tbody>
</table>
| **Benchmark**                 | a) The asset allocation expected to apply to an investment option most (but not all) of the time, as it is the allocation most likely to achieve an investment’s long-term objectives.  
   b) A measure, typically an index against which an investment managers’ performance is measured, for example, an Australian share manager’s performance may be measured against the S&P/ASX 300 Accumulation Index which measures the performance of the top 300 publicly listed companies in Australia. |
| **Buy/sell spread**           | Represents the estimated transaction costs, including brokerage fees and stamp duty, incurred when buying or selling underlying assets in relation to our investment options. |
| **Consumer Price Index (CPI)**| A measure of inflation that compares the cost of living (i.e. goods and services) over time. CPI is calculated and reported by the Australian Bureau of Statistics. |
| **Defensive assets**          | Assets that are less risky but generally produce lower returns over the long-term such as cash and bonds.                                  |
| **Diversification**           | Spreading your money across different assets, investment options, investment managers or localities to help reduce risk. In other words: not putting all your eggs in the one basket. |
| **Future transactions**       | Includes all contributions, rollovers or transfers in, as well as transfers out, benefit claims, fees, charges, taxes, insurance cost and other deductions that apply to your account after the effective date of the nomination. |
| **Growth assets**             | Assets that are more risky but generally produce higher returns over the long-term such as shares and property.                          |
| **Inflation**                 | The rise in the prices of goods and services, often measured by the Consumer Price Index (CPI).                                           |
| **Interest**                  | The amount paid in a certain period on money borrowed or invested. Interest is the amount, for example, a dollar, while interest rate is expressed as a percentage. |
| **Investment manager(s)**     | A person or organisation contracted to manage investments on behalf of the Trustee.                                                       |
| **Investment return objective**| The return that the Trustee is aiming to achieve. This is not a guaranteed rate of return.                                               |
| **Return**                    | The amount that an investment has changed over time (positive or negative), usually expressed as an annual percentage.                     |
| **Risk**                      | The chance that an investment’s actual return will be negative or different from what you expected.                                         |
| **Standard Risk Measure**     | A guide to the likely number of negative annual returns expected over any 20 year period.                                                 |
| **Switching**                 | Moving some or all of your current balance from one investment option to another.                                                        |
| **Time horizon**              | The period of time that you intend to keep your investment.                                                                               |
| **Unit price**                | The monetary value of one unit in an investment option.                                                                                  |
You can complete an online version of this form quickly and easily in MemberAccess at rest.com.au

Or, you can complete this form and mail it to: Rest Super, PO Box 350, Parramatta NSW 2124, or email a scanned copy to contact@rest.com.au

Use this form to select an investment option, or to change your investment option. Please write in BLOCK LETTERS and use a BLACK or BLUE pen. This form will be invalid if unsigned and undated.

### 1: Personal details

<table>
<thead>
<tr>
<th>Member number</th>
<th>Title</th>
<th>Surname</th>
<th>Given name(s)</th>
<th>Date of birth (dd/mm/yyyy)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Unit number</th>
<th>Street number / PO BOX</th>
<th>Street name</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Suburb/Town</th>
<th>State</th>
<th>Postcode</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Telephone (business hours)</th>
<th>Mobile</th>
<th>Email address</th>
</tr>
</thead>
</table>

### 2: Investment choice

Select either Option 1 or Option 2

#### Option 1

If you would like your entire current balance and any future transactions allocated in the same way, complete this column only

<table>
<thead>
<tr>
<th>Investment code</th>
<th>Core Strategy</th>
<th>Structured options</th>
<th>Member-tailored options</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A2</td>
<td>Capital Stable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A3</td>
<td>Balanced</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A6</td>
<td>Balanced - Indexed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A4</td>
<td>Diversified</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A5</td>
<td>High Growth</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Option 2

If you would like your current balance and any future transactions allocated in a different way, complete both of these columns

Current balance

- Either Tick this box: Do not switch my current balance
- Or Choose how you would like to switch your current balance below:

**Future transactions**

You must complete this column even if there is no change in the way you would like your future transactions allocated.

<table>
<thead>
<tr>
<th>Investment code</th>
<th>Core Strategy</th>
<th>Structured options</th>
<th>Member-tailored options</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B1</td>
<td></td>
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<td></td>
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<td></td>
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<td>A4</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>A5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Conditions apply. See ‘Investment Guide’.

The Trustee company of Retail Employees Superannuation Trust ABN 62 653 671 394 is Retail Employees Superannuation Pty Limited ABN 39 001 987 739, AFSL 240003.

**Issue date: 1 April 2019**
Please direct my current balance and all future transactions made by me and/or on my behalf to the investment option(s) that I have nominated on this form.

I declare that:

I have read and understood the information in the Product Disclosure Statement (PDS) and Investment Guide, on Rest’s website and on this form and I understand:

- the investment choices available
- how I can change my investment choice
- the investment strategies and objectives for each investment option
- that I can find information about the available investment options in the current PDS and Investment Guide and on Rest’s website at any time
- that the Trustee may close any investment option
- that the following conditions apply to this investment choice:
  - if I am a Rest Super or Rest Corporate member and I make an investment choice other than to invest all my super in the Core Strategy, I am choosing to become a choice member. If I choose to invest all of my super in the Core Strategy, I am choosing to become a MySuper member.
  - if I have chosen to invest in the Property option the terms and conditions applying to that option. I understand that property is not an asset that the Trustee can sell quickly and therefore I may not be able to switch or rollover my investment in the Property option immediately. The Trustee will normally do so within 30 days, unless redemptions have been suspended
  - it will become effective 2 business days after Rest receives this request and in accordance with the terms on “How to switch an investment option” on rest.com.au/investments
  - if this form has not been completed correctly, my request may not be accepted
  - once my request has been accepted, it cannot be reversed, although I can make another switch request if I change my mind (however this will incur additional transaction costs)
  - that this choice will not apply to any insurance proceeds
  - the Trustee does not review my investment choices to determine whether they are suitable. I am responsible for any investment choices I make

- I consent to the use and disclosure of information provided in this form in accordance with Rest’s Privacy Policy and Privacy Collection Statement available at rest.com.au/privacy-policy
- By providing my email address and/or mobile number, I agree I will receive important information such as my annual statement, disclosure of material changes to my super and significant events, as well as other communications, electronically.

Signature of applicant

[Signature]

Date (dd/mm/yyyy)

Office use only

[Signature]