

MEDIA RELEASE
Tuesday 19 July 2016

Property and infrastructure drive REST Industry Super's positive returns

End of financial year results released today by REST Industry Super, one of Australia's largest superannuation funds with more than \$39 billion invested on behalf of nearly two million members, have demonstrated the resilience of the fund's property and infrastructure investments in a challenging year for financial markets around the world.

REST's long-term investment focus has driven solid performance over the past decade, with the REST Super Core Strategy (REST's MySuper investment option) returning 6.54% p.a. to members over a 10-year period and 9.11% p.a. over a seven-year period to 30 June 2016. The REST Pension Balanced investment option, designed for members who are currently in or close to retirement, delivered 6.56% p.a. over 10-years and 8.89% p.a. over seven years.#

For the financial year to 30 June 2016, the REST Super Core Strategy returned 1.82% and the REST Pension Balanced option returned 1.81%, driven by strong returns in REST's portfolio of quality real estate assets.

According to REST Industry Super Chief Financial Officer Chris Stevens, despite the volatility in financial markets over the past twelve months - most notably the continued fluctuations in the price of oil and uncertainty caused by the UK's decision to leave the European Union (commonly referred to as 'Brexit') - REST's options have delivered strong returns for members.

"REST's strategic property and infrastructure investments underpinned REST's Core Strategy performance over the past twelve months. Australian shares and bonds contributed modest returns, but overseas shares - the largest asset class exposure for Core Strategy - moderated short term performance significantly," he said.

Praised by independent ratings house SuperRatings as being among an elite group of Australian superannuation funds with a Balanced option^ that have provided its members with returns of over 100% since March 2009~, REST Core Strategy has a strong track record of investment performance.

"In order to continue to deliver these strong returns for members, our focus is on investing in high quality assets that represent good value and maintaining an investment mix that outperforms the market, regardless of underlying economic conditions," Mr Stevens said.

"Changing economic conditions and fluctuations in the value of underlying assets are a completely normal aspect of investing, and this approach ensures that our members don't feel the full impact of this volatility. As a fund, REST has continuously demonstrated that we can manage our members' investments through changing market conditions."

Historical returns on the full range of REST Super (accumulation) and REST Pension investment options as at 30 June 2016 are set out below:

REST Super – Core options

	10-year	7-year	5-year	3-year	1-year
REST Super Core Strategy	6.54%	9.11%	8.56%	8.09%	1.82%
REST Pension Core Strategy	N/A	10.00%	9.31%	8.50%	1.56%
REST Pension Balanced	6.56%	8.89%	8.30%	7.50%	1.81%

REST Super – Investment options[#]

	10 year	7 year	5 year	3 year	1 year
Investment Options	(% pa)	(% pa)	(% pa)	(% pa)	(% pa)
Core Strategy	6.54	9.11	8.56	8.09	1.82
Cash Plus	3.63	3.49	3.03	2.48	1.78
Balanced	5.82	7.93	7.44	6.90	1.87
Capital Stable	5.45	6.79	6.22	5.49	1.81
Diversified	6.31	9.26	8.97	8.67	2.01
High Growth	6.52	10.03	9.86	9.77	1.81
Basic Cash	N/A	N/A	2.51	2.03	1.81
Cash	3.60	3.32	2.81	2.34	2.04
Bond	6.02	6.76	5.73	4.09	1.62
Shares	6.04	10.70	10.95	11.02	-0.57
Property	6.42	6.48	7.73	8.87	12.99
Australian Shares	6.92	10.29	8.93	9.55	3.32
Overseas Shares	4.42	10.27	11.99	11.54	-3.69

REST Pension – Investment options[#]

	10 year	7 year	5 year	3 year	1 year
Investment Options	(% pa)	(% pa)	(% pa)	(% pa)	(% pa)
Core Strategy	N/A	10.00	9.31	8.50	1.56
Cash Plus	4.30	4.12	3.55	2.89	2.09
Balanced	6.56	8.89	8.30	7.50	1.81
Capital Stable	6.28	7.74	7.03	6.05	1.86
Diversified	7.03	10.29	9.94	9.38	1.82
High Growth	7.15	11.01	10.77	10.41	1.54
Basic Cash	N/A	3.38	2.95	2.38	2.12
Cash	4.29	3.96	3.37	2.79	2.41
Bond	7.05	7.89	6.65	4.78	1.85
Shares	6.41	11.49	11.73	11.52	-1.84
Property	7.17	7.34	8.71	9.87	14.16
Australian Shares	7.54	11.16	9.70	9.93	1.79
Overseas Shares	4.79	11.38	13.28	12.76	-4.23

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Issued by Sefiani Communications Group on behalf of REST Industry Super. For more information contact:

Shane Allison Senior Account Manager, Sefiani Communications Group sallison@sefiani.com.au t: (02) 8920 0700 m: 0402 219 963	Pauline Hayes Corporate Communications Manager, REST pauline.hayes@rest.com.au t: (02) 9086 6348 m: 0458 815 252
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About REST Industry Super

REST is one of Australia's largest super funds by membership with over \$39 billion in funds under management as at 30 June 2016 and nearly two millions members. SuperRatings awarded REST Pension of the Year 2015, the second year in a row REST has won this award. REST also received *Money* magazine's 2015 and 2014 Best of the Best award for Best Super Fund Manager and Best Pension Fund Manager.*

^ Balanced option refers to 'Balanced' options with exposure to growth style assets of between 60% to 70%. Approximately 70% of Australians in our major funds are invested in their fund's default investment option, which in most cases is the balanced investment option. Returns are net of investment fees, tax and implicit asset-based administration fees.

~ Returns are based on net returns from 1 March 2009 to 31 May 2016.

*Ratings or awards are only one factor that you should consider when deciding how to invest your super. SuperRatings Pty Limited does not issue, sell, guarantee or underwrite this product. Go to www.superratings.com.au for details of its ratings criteria. For further information about the methodology used by Chant West, see www.chantwest.com.au.

Returns are net of investment fees and tax except the REST Pension investment options which are untaxed. Investment returns are at the investment option level and are reflected in the unit prices for those options. Returns for three, five, seven and ten year periods are annualised returns. N/A applies to options running less than the indicated time periods. Past performance is not an indication of future performance.

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