

December 2019

# Changes to MySuper

Effective 1 March 2020, GuildSuper is making the following changes that may impact you as a member, including changes to the MySuper investment options, and fees and costs.

## Changes to MySuper investment options

The MySuper Investment Strategy is structured to automatically reduce the exposure to growth assets over the lifetime of the membership in a series of “lifestages”. This is achieved by switching members between three MySuper investment options, being:

- **MySuper Building**  
For members under age 40
- **MySuper Growing**  
For members between ages 40-55
- **MySuper Consolidating**  
For members aged 56+

An important feature of the MySuper investment design is the planned progression of asset allocation changes over time. This is structured with the objective of maximising risk adjusted outcomes at retirement.

With changing factors including economic and market conditions, periodic review is required to ensure that the GuildSuper offering continues to meet the needs of members. As a result, we are making the following changes to our MySuper offering:

### 1. Changing the age bands for members invested in each MySuper investment option\*

MySuper Investment Option	Current	From 1 March 2020
Building	Under age 40	Under age 25
Growing	Ages 40–55	Ages 25–59
Consolidating	Aged 56+	Aged 60+

### 2. Changes to the Strategic Asset Allocation for the Building and Growing MySuper investment options

To improve the probability of higher returns that help to grow members' balances over their lifetime and support the MySuper Strategy deliver its investment objectives over the long term, adjustments have also been made to the Strategic Asset Allocation (SAA) for the MySuper Building and Growing investment options. The SAA is the percentage of each investment option invested in different asset classes (e.g. cash, property or shares) based on risk and return appetite.

This table outlines the new SAA from 1 March 2020:

Asset Class	MySuper Building			
	Current		From 1 March 2020	
	Benchmark	Range	Benchmark	Range
Australian shares	40	25 to 55	50	40 to 60
International shares	45	20 to 60	50	40 to 60
Property	6	0 to 25	0	
Alternative (growth)	7	0 to 30	0	
<b>Total growth</b>	<b>98</b>	<b>90 to 100</b>	<b>100</b>	<b>90 to 100</b>
Fixed interest	2	0 to 10	0	
Alternative (defensive)	0	0 to 10	0	
Cash/ Money Market	0	0 to 10	0	0 to 10
<b>Total defensive</b>	<b>2</b>	<b>0 to 10</b>	<b>0</b>	<b>0 to 10</b>

Continued over...

Asset Class	MySuper Growing			
	Current		From 1 March 2020	
	Benchmark	Range	Benchmark	Range
Australian shares	32	15 to 50	44	35 to 55
International shares	35	10 to 50	45	35 to 55
Property	5	0 to 20	6	0 to 10
Alternative (growth)	9	0 to 30	5	0 to 10
<b>Total growth</b>	<b>81</b>	<b>60 to 90</b>	<b>100</b>	<b>90 to 100</b>
Fixed interest	10	0 to 30	0	
Alternative (defensive)	4	0 to 10	0	
Cash/ Money Market	5	0 to 20	0	0 to 10
<b>Total defensive</b>	<b>19</b>	<b>10 to 40</b>	<b>0</b>	<b>0 to 10</b>

**3. Change to the investment return objective for the Growing MySuper investment option**

As a result of the SAA changes to the Growing MySuper investment option, the investment return objective will increase on 1 March 2020 from CPI + 3.0% over rolling 10 year periods to CPI + 4.0% over rolling 10 year periods.

**4. Changes to the investment fees and indirect costs (ICRs) for each MySuper investment option**

Changes have also been made to investment fees and ICRs for the investment options.

MySuper	Investment fee p.a.		ICR p.a.		TOTAL	
	Current	From 1 Mar 2020	Current	From 1 Mar 2020	Current	From 1 Mar 2020
Building	0.77%	0.39 %	0.29%	0.05%	1.06%	0.44%
Growing	0.70%	0.64%	0.25%	0.16%	0.95%	0.80%
Consolidating	0.62%	0.69%	0.22%	0.13%	0.84%	0.82%

**Changes to the MySuper Administration fee**

**Dollar-based Administration fee**

Although we have been able to reduce some of the Investment fees, recent changes to superannuation and regulatory requirements have resulted in GuildSuper increasing the MySuper dollar-based Administration fee from \$95pa (\$1.83 per week) to \$115pa (\$2.21 per week).

**Administration fee cap**

To limit the Administration fee charged to MySuper members, the combined dollar and percentage-based Administration fee will be capped at \$800pa.

This is in addition to the 3% cap on fees for balances less than \$6,000 that was introduced on 1 July 2019.

Importantly, in a bid to reduce overall costs to members, our ability to reduce Investment fees with a small increase in the Administration fee will result in most members paying less or no more in overall costs.

**Do you need to do anything?**

If you are invested in any of the MySuper investment options, then these changes will be automatically applied to your account. If you would like to change your investment strategy, then you can make an investment switch anytime by logging into your account via Member Online (a higher administration fee and buy/sell spreads may apply).

**1300 361 477 (8am-7pm AEST)**

**guildsuper.com.au**

\*Changes do not take place on your birthday. Your age is determined as at 1 July each year based on your age next birthday.

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