

Significant Event Notice

Changes from 1 July 2017

Dear Member

GuildSuper is committed to helping you build your superannuation so that you can afford the best possible lifestyle when you finish working.

Our aim is to grow and protect your super savings over the long term.

In keeping with our aim, the Trustee has made some changes that are outlined in this Significant Event Notice (SEN). It is important to read this SEN carefully to understand what is changing and how the changes may affect you. Please also refer to the *Investment Guide* for further details.



Changes to the strategic asset allocation for some investment options

The Strategic Asset Allocation (SAA) is the percentage of monies allocated to asset classes including shares, property, fixed interest, alternative investments and cash. The SAA for each GuildSuper investment option is set to achieve an expected return over a set number of years, subject to a level of risk.

The SAA is regularly rebalanced back to the original allocations when they deviate significantly from the initial settings due to differing returns from various assets.

Here are the changes to the SAA for the MySuper investment options:

Benchmark	MySuper Building		MySuper Growing		MySuper Consolidating	
	Pre 1/7/2017	From 1/7/2017	Pre 1/7/2017	From 1/7/2017	Pre 1/7/2017	From 1/7/2017
Australian shares	39	36	28	28	17	17
International shares	39	38	27	25	17	16
Property	10	11.5	9	10.5	7	8
Alternatives (growth)	12	12.5	11	13.5	9	12
Total growth	100	98	75	77	50	53
Fixed interest	0	2	11	13	19	24
Alternatives (defensive)	0	0	3	3	5	5
Cash/Money Market securities	0	0	11	7	26	18
Total defensive	0	2	25	23	50	47

Here are the changes to the SAA for affected MyMix Solution investment options:

Benchmark	International shares (unhedged)		High Growth		Growth		Balanced		Conservative	
	Pre 1/7/2017	From 1/7/2017	Pre 1/7/2017	From 1/7/2017	Pre 1/7/2017	From 1/7/2017	Pre 1/7/2017	From 1/7/2017	Pre 1/7/2017	From 1/7/2017
Australian shares	0	0	39	36	28	28	17	17	9	9
International shares	90	95	39	38	27	25	17	16	7	7
International emerging markets	5	5	0	0	0	0	0	0	0	0
International small companies	5	0	0	0	0	0	0	0	0	0
Property	0	0	10	11.5	9	10.5	7	8	5	5.5
Alternatives (growth)	0	0	12	12.5	11	13.5	9	12	4	7.5
Total growth	100	100	100	98	75	77	50	53	25	29
Fixed interest	0	0	0	2	11	13	19	24	27	35
Alternatives (defensive)	0	0	0	0	3	3	5	5	7	7
Cash/Money Market securities	0	0	0	0	11	7	26	18	41	29
Total defensive	0	0	0	2	25	23	50	47	75	71

Do you need to do anything?

If you have super monies invested in any of the affected investment options, then ensure you are comfortable with the new SAA for the investment option/s. 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).

Changes to the standard risk measure for some investment options

Based on industry guidance, the Standard Risk Measure (SRM) allows super fund members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

Here are the changes to the SRM for affected GuildSuper investment options:

Investment option	Pre 1/7/2017		From 1/7/2017	
	SRM	Expected frequency of negative returns	SRM	Expected frequency of negative returns
MySuper Consolidating	Low to medium	1 to 2 times every 20 years	Medium	2 to 3 times every 20 years
Property Securities	High	4 to 6 times every 20 years	Very High	Greater than 6 times every 20 years
Australian Shares	Very high	Greater than 6 times every 20 years	High	4 to 6 times every 20 years
Conservative	Very low	Less than 0.5 times every 20 years	Low to medium	1 to 2 times every 20 years
Balanced	Low to medium	1 to 2 times every 20 years	Medium	2 to 3 times every 20 years

The SRM is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than you require to meet your investment objectives. Furthermore, it does not take into account the impact of fees and taxes on the likelihood of a negative return.

Do you need to do anything?

If you have super monies invested in any of the affected investment options, then ensure you are comfortable with the risks and potential losses associated with the investment option/s. 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).

Change to the investment objectives for two investment options

The Investment Objective has changed for the MySuper Building and MyMix High Growth investment options:

Investment option	Investment objective pre 1/7/2017	Investment objective from 1/7/2017
MySuper Building	CPI + 3.5% p.a. over rolling 10 year periods	CPI + 4.0% p.a. over rolling 10 year periods
MyMix High Growth	To provide net (after investment fees and investment tax) investment returns of at least 3.5% per annum above CPI increases over rolling 10 year periods.	To provide net (after investment fees and investment tax) investment returns of at least 4.0% per annum above CPI increases over rolling 10 year periods.

Change to buy/sell spreads

A buy/sell spread is a cost incurred each time you invest into and/or withdraw from an investment option. It's the cost of trading the underlying assets in the investment option/s.

Changes to the buy/sell spreads are:

Investment option	Pre 1 July 2017		From 1 July 2017	
	Buy (%)	Sell (%)	Buy (%)	Sell (%)
MySuper Building	0.19	0.19	0.17	0.17
MySuper Growing	0.19	0.19	0.17	0.17
MySuper Consolidating	0.19	0.19	0.17	0.17
Property Securities	0.25	0.25	0.16	0.14
International shares (unhedged)	0.20	0.20	0.17	0.14
Conservative	0.08	0.08	0.12	0.12
Balanced	0.12	0.12	0.14	0.14
Growth	0.16	0.16	0.17	0.16
High Growth	0.20	0.20	0.19	0.18

Do you need to do anything?

No action is required of you, just be aware of the new buy/sell spreads.

Change to the indirect cost ratio

The Indirect Cost Ratio (ICR) comprises of performance related fees and Over-The-Counter (OTC) derivative costs. The ICR is deducted outside the Fund from applicable income or assets attributable to the MySuper or MyMix Solution investment options before the gross investment returns from the investments have been determined. Refer to the *Investment Guide* for further information.

Here are the changes to the ICR disclosure for affected investment options:

Investment option	Pre 1/7/2017 (%)	From 1/7/2017 (%)
MySuper Building	0.03	0.38
MySuper Growing	0.02	0.33
MySuper Consolidating	0.02	0.29
Property Securities	0.00	0.38
Australian Shares	0.01	0.11
International shares (unhedged)	0.00	0.06
Conservative	0.01	0.20
Balanced	0.02	0.29
Growth	0.02	0.33
High Growth	0.03	0.38

The changes are due to additional disclosure requirements passed recently under new Government legislation which all super funds are required to implement. There is no change to fees charged to your account or deducted from investment returns.

Do you need to do anything?

No action is required of you.


Get a super health check

Is your super on track? Get a health check with an Adviser today.

It's a good idea to regularly get advice about your super that takes into account your personal circumstances, especially when there is no additional charge for this service.

Contact GuildSuper today on **1300 361 477** from 8am to 7pm (AEST) Monday to Friday and ask to speak to a qualified financial adviser*.

* Personal financial advice will be provided by Mercer Financial Advice (Australia) Pty Ltd ABN 76 153 168 293 AFS Licence No. 411766.

 For more information on GuildSuper's investment options, fees and costs, please refer to the *Product Disclosure Statement (PDS)* at guildsuper.com.au/pds

Yours sincerely



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we're here to help

 1300 361 477

 guildsuper.com.au

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