

May 2022

Update to Investment Options

Last year GuildPension surveyed our members, who overwhelmingly requested a simplified investment option structure that made making an investment choice easier. This notice is to provide you with an update on changes being made to GuildPension's investment options.



Investment option changes

GuildPension is simplifying the investment options available to members.

As of 10 June 2022, members will no longer be able to make contributions to the following GuildPension investment options, and from 14th June 2022, these options will be closed permanently:

- High Growth
- Conservative

From 15 June 2022, GuildPension members will be able to select from the following investment options:

- Growth
- Balanced
- Secure

How will affected options be reallocated?

To ensure that member funds currently invested in closing investment options are transferred into options with similar asset allocations, we have, together with our investment consultant determined an appropriate investment transfer strategy, as shown in the table below.

These transfers will be made automatically unless you choose otherwise. If you would prefer to make your own investment choice prior to the reallocation, you need to log into your online account and do so by **9th of June 2022**.

No investment switches or withdrawals can be made between 10th and the 15th June if you are invested in any of the closing investment options.

Option reallocations

Existing investment option	Growth / Defensive asset allocation	New investment option	Growth / Defensive asset allocation
High Growth – members	98% growth / 2% defensive	Growth	86% growth / 14% defensive
Conservative	32% growth / 68% defensive	Balanced	50% growth / 50% defensive

What happens to my income stream (pension) payments?

If your income stream is currently drawn from a closing investment option, your selection for pension payments will automatically change to the new option.

For example, a member may have their income stream invested in both the Growth option and Conservative option but selected to have income stream payments made just from the Conservative option. When the Conservative option is closed, these funds will automatically be transferred to the Balanced option (unless the member chooses otherwise), and the income stream payments will then be drawn from the Balanced option.

If a member has elected to have income stream payments drawn proportionally from all investment options in which they are invested at the time of payment, they will continue to be paid proportionally from the options where funds are invested at the time of payment.

Buy-sell spreads will be removed from 1 May 2022

From 1 May 2022 members will no longer incur a fee for switching investment options.

Strategic Asset Allocation changes

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 investment option is set by GuildPension’s investment team to achieve an expected return over a set number of years, subject to a level of risk. As of 1 July 2022, the SAA of the investment options have been changed to improve the probability of achieving better investment performance.



	Growth (Account Based Pension & TTR)			Balanced (Account Based Pension & TTR)		
	SAA	Min	Max	SAA	Min	Max
Australian Shares	39	15	50	22	10	40
International Shares	39	10	50	22	10	40
Property	4	0	20	3	0	20
Alternatives (Growth)	4	0	30	3	0	30
Total Growth	86	60	90	50	50	80
Fixed Interest	5	0	30	18	0	35
Alternatives (Defensive)	6	0	10	10	0	15
Cash	3	0	20	22	0	35
Total Defensive	14	10	40	50	20	50

Investment Management Fees (IMF) and Indirect Cost Ratio (ICR) as of 1 July 2022

Changes have also been made to investment management fees and indirect cost ratios for the investment options. Going forward, indirect costs will form part of the Investment fee.

Investment Option	Before 1/5/2022			From 1/5/2022	From 1/7/2022
	IMF	ICR	Total	IMF	IMF
Balanced (TTR)	0.37%	0.14%	0.51%	0.50%	0.63%
Growth (TTR)	0.41%	0.20%	0.61%	0.60%	0.73%
Balanced (Account based Pension)	0.34%	0.14%	0.48%	0.46%	0.48%
Growth (Account Based Pension)	0.34%	0.12%	0.46%	0.46%	0.46%

What do I need to do?

As of 14 June 2022, if you have money invested in any of the options that are closing, we will automatically transfer these funds into similarly weighted investments as shown in the table above. If you prefer to make your own investment choice for these allocations prior to then, you should log into your online account and make those transfers by 9 June.

Please remember, that if you elect to do nothing, your funds will be transferred into similar investment options automatically, and you can log in and switch options at any time in the future.

We're here to help

If you have any questions in regard to making an investment choice, or any other issues relating to your pension, please don't hesitate to call our helpline on 1300 361 477 and we'll be happy to help.

Our GuildPension Product Disclosure Statement can be found on our website guildsuper.com.au.

 **1300 361 477 (9am–6pm AEST)**

 **guildsuper.com.au**