

# Guild Retirement Fund annual report



For the year ended  
30 June 2018



The Annual Report highlights important changes that occurred during the financial year ended 30 June 2018. It provides details on the financial statements and investment options for the Guild Retirement Fund (the Fund), which includes GuildSuper, Child Care Super and GuildPension, as well as other important information which should be read by all members.



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# Welcome

**It's been another busy year for the Fund. Amongst other things, we've been developing a ground-breaking solution to help our members become more financially secure and we have implemented the budgetary changes which were effective 1 July 2017.**

In October 2018 the Fund will launch SUPERSUPER™ a ground-breaking initiative that allows members to receive a percentage of their shopping expenditure as a personal contribution to their super. It has the potential to significantly improve the retirement outcomes of our members and we are incredibly proud of it. Further information about this innovative program can be found at [supersuper.com.au](http://supersuper.com.au).

The legislative changes introduced last year include the First Home Super Saver Scheme and the Downsizer Contributions Scheme. The First Home Super Saver Scheme enables our members to make additional voluntary contributions to super, which can be withdrawn for a deposit for a first home. The Downsizer Contributions Scheme lets members, aged 65 and over, use the proceeds of the sale of their principle residence as a personal contribution to super, up to \$300,000.

Our investment strategy delivered solid returns for members in 2017/18. The Building (MySuper) option, in which most Fund members are invested, returned 10.66% for the 12 months to 30 June 2018 and the GuildPension Balanced Option returned 6.00% for the same period. Of course, when looking at returns, it's important to bear in mind that super is a long-term investment. Over the past 3 years our MySuper Building option has returned 8.58% p.a. and the GuildPension Balanced option returned 5.73% p.a. for the same period.

In March, two Board members; Ian Todd and Tim Logan retired and two new members Nick Panayiaris and Trent Twomey were appointed. On behalf of the Board I would like to thank Ian and Tim for their contribution to the Guild Retirement Fund and welcome Nick and Trent.

I would also like to thank our members and employers, on behalf of our Board, for their ongoing support. We look forward to being of service to you in the future. If you would like more information about your super or SUPERSUPER, please do not hesitate to get in touch with the Fund. We're here to help you.

Yours sincerely



**Mario Pirone**

Managing Director  
Guild Trustee Services



# Achievements in 2017/18



**\$1,722,400,535**

**Total funds under management**



**79,024**

**Total members**



**22,969**

**Total active employers**

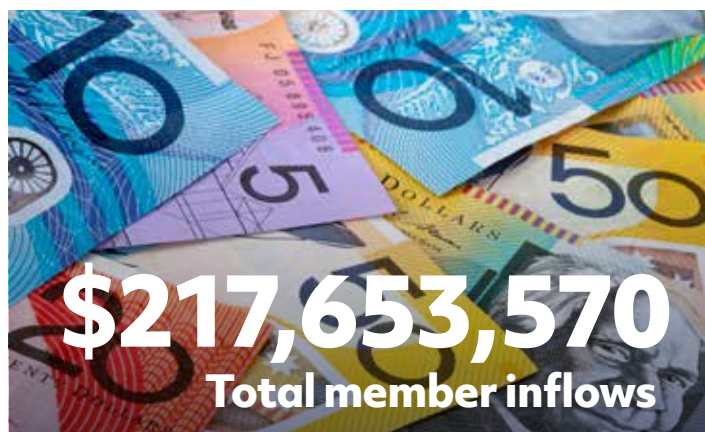
**MySuper  
Building Option**

**10.66** % p.a.

**1 year return**

**MySuper  
Building Option**

**9.39** % p.a.  
**Return since 1 OCT 2013**



**\$217,653,570**

**Total member inflows**



# Supporting and recognising our members

Across the pharmacy, child care and veterinary industries, our members make an important contribution to the health and wellbeing of many. We are proud to support them and the industries in which they work by supporting what matters to them.

This includes:

## Sponsorship of the Early Childhood Educators Day

On this day we recognise and celebrate the enormous contribution child care workers make to the health and wellbeing of the little ones in their care.

## Sponsorship of the Australian Veterinary Association's Graduate Mentoring Program

This program supports veterinary graduates to easily transition into the veterinary profession. It aims to help them reach their full potential and be happy in their jobs. This is achieved by matching new veterinarians seeking guidance and support with more experienced practitioners.

## Sponsorship of the Australian Pharmacy Professional Conference and Trade Exhibition (APP)

APP is The Pharmacy Guild of Australia's annual national conference and the largest pharmacy conference and trade show in Australia. It consists of a four day educational program, social program and trade exhibition.



# Regulatory changes

## Government Legislation

### 2016 Federal Budget Announcements with an effective date of 1 July 2018

#### Concessional Contributions

You can carry forward the portion of the concessional contribution cap that you may not have used in that year, for up to 5 years. In the year you make a concessional contribution which contains a carrying forward unused cap portion, your total superannuation balance on 30 June of the previous financial year must be less than \$500,000.

### 2017 Federal Budget Announcements

#### 2017 Federal Budget Announcements with an effective date of 1 July 2017

##### Housing Package – First Home Super Saver Scheme

From 1 July 2017, you can make voluntary contributions to your superannuation account to purchase a first home. Eligible contribution types include salary sacrifice, personal tax deductible and non-concessional contributions. You can apply to have a maximum of \$15,000 of your voluntary contributions from one financial year to be released under the scheme, up to a total of \$30,000 across all years. Withdrawals of concessional contributions and deemed earnings will be taxed at marginal tax rates less a 30% offset. Non concessional contributions will not be taxed upon withdrawal. Voluntary contributions under this scheme must be made within existing contributions caps.

#### 2017 Federal Budget Announcements with an effective date of 1 July 2018

##### Housing Package – Contributing the proceeds of downsizing to superannuation

From 1 July 2018, if you are aged 65 and over you can make a non-concessional contribution to your superannuation of up to \$300,000 from the proceeds of selling your home. This measure will apply to a principal place of residence held for a minimum of 10 years.

The existing voluntary contribution rules for people aged 65 and over and restrictions on non-concessional contributions for people with balances above \$1.6 million will not apply to contributions made under this special downsizing cap.

Both you and your spouse can take advantage of this measure for the same home, meaning up to \$600,000 per couple can be contributed to superannuation through the downsizing cap.

Eligible members can take advantage of this concession on one occasion only.

### Super thresholds for the 2018/19 financial year

The following super and taxation thresholds amounts apply during the 2018/19 financial year. Please refer to your relevant Product Disclosure Statement (PDS) for an explanation of each of these thresholds.

Threshold	From 1 July 2018
<b>Standard concessional contributions cap</b>	\$25,000 per annum
<b>Non concessional contributions cap</b> Currently legislated as follows:	
• Standard	\$100,000 per annum
• Bring forward before age 65	\$300,000 over 3 years
<b>SG maximum contribution base</b>	\$54,030 per quarter
<b>Government co-contribution</b>	
• Lower income threshold	\$37,697 per annum
• Higher income threshold	\$52,697 per annum
<b>Maximum adjusted taxable income for eligibility for the Low Income Superannuation Tax Offset</b>	\$37,697 per annum
<b>Tax free part of bona fide redundancy and approved early retirement scheme payments</b>	
• Base limit	\$10,399
• Plus for each completed year of service	\$5,200
<b>Low rate cap amount</b> <i>(previously known as post June 1983 low tax threshold)</i>	\$205,000 (lifetime limit)
Applies to the taxable component of taxed super fund benefits for members who have reached their preservation age but are aged under 60 years.	
<b>Untaxed plan cap amount</b>	\$1,480,000 (lifetime limit)
Applies to the taxable component of untaxed super fund benefits	
<b>Employment termination payment cap (ETP)</b>	\$205,000 (per annum)
<b>Capital gains tax (CGT) cap amount</b>	\$1,480,000 (lifetime limit)

# Governance

**The Board oversees the Fund's operations and ensures it is operating efficiently and in the best interests of members.**

The Trustee of Guild Retirement Fund is Guild Trustee Services Pty Ltd (ABN 84 068 826 728). The Trustee has an Australian Financial Services License (AFSL 233815) issued by the Australian Securities and Investments Commission and a RSE License (L0000611) issued by the Austral Prudential Regulation Authority. The Trustee is governed by a Board of Directors (the Board) who are appointed as per the Constitution of the Guild Group. The Trustee Board meets six times per year.

## The Guild Trustee Services Board

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**George Venardos** **Joined: Feb 2009**  
**Non-Executive Director & Chair**

*B Com, FCA, FCIS, FTIA, FGIA, FAICD*

George is a non-executive director with broad listed company experience across a range of industries. He has more than 30 years' experience in the Insurance and Financial Services sector.

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**Mario Pirone** **Joined: Aug 2010**  
**Managing Director**

*B.Bus, Grad.Dip. Bus, FCPA*

Mario has over 25 years' experience as a Senior Executive and Director in General Insurance, Funds Management and Financial Services.

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**John Dowling** **Joined: Jan 2013**  
**Non-Executive Director**

*B Pharm, CPA, FAICD, FACP*

John is a Pharmacist and Certified Practising Accountant. He is a fellow of the Australian Institute of Company Directors and the Australian College of Pharmacy.

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**Nick Panayiaris** **Joined: Mar 2018**  
**Non-Executive Director**

*BSc, BPharm, MAICD*

Nick is a practising pharmacist with over 20 years' experience and is an owner of community pharmacies in South Australia. He is the current State SA President of the Pharmacy Guild of Australia and has been a National Councillor for 7 years. He is the current Chair of the Guild's Pharmacy Transformation Committee and a member of the Pharmacy Viability Committee.

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**Trent Twomey** **Joined: Mar 2018**  
**Non-Executive Director**

*BPharm, BBus, FACP, FAICD, FIML*

Trent is a pharmacist, and owns a group of pharmacies in Northern Queensland. Trent has been involved with the Pharmacy Guild of Australia for over ten years. Trent is Chairman of Advance Cairns, the peak economic development and advocacy organisation for Tropical North Queensland and the Chairman of the Northern Australia Alliance. He is an Adjunct Associate Professor at James Cook University.

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**Stephen Somogyi** **Joined: Jan 2013**  
**Non-Executive Director**

*MSc, SM, FIAA, FAICD, FFin*

Stephen has over 27 years' experience in the financial services and health care industries. He is a Fellow of the Institute of Actuaries of Australia, the Australian Institute of Company Directors and the Financial Services Institute of Australia.

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**Linda Jenkinson** **Joined: Sep 2016**  
**Non-Executive Director**

*MBA, ACA (Non-practicing), B.B.S*

Linda is a Global Entrepreneur who has founded numerous businesses, including John Paul, a global travel concierge provider to the world's largest brands. Linda is an experienced executive and strategist in financial services, global travel, corporate loyalty and on-demand delivery.

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**Andrew Robert Bloore** **Joined: Sep 2016**  
**Non-Executive Director**

Andrew has been involved in the establishment, design, funding, commercialisation and ultimate sale (both trade sale and IPO) of a number of businesses in a diverse range of industries. In addition, Andrew has sat on a range of ATO and Treasury committees, including the Simple Super Legislation committee, the Regulations review for the ATO and a range of Senate select committees.

**The Board has established Committees for certain functions. The Committees are made up of members of the Board and regularly report to the Board.**

- The Guild Group Investment Committee: meets four times a year and is responsible for overseeing the implementation of the Fund's Investment Governance Framework as required by Prudential Standard SPS530.
- The Audit Committee: meets four times a year and is responsible for independent assurance to the Board that material risks are being addressed by an adequate and effective control framework being maintained by Management.
- The Risk Management & Compliance Committee: meets four times a year and is responsible for the objective review of the effectiveness of Guild's risk management framework and to oversee Guild's statutory, licensing and regulatory requirements, including risk management, capital requirements, and compliance and reporting requirements.
- The Guild Group Remuneration & Nominations Committee: meets up to two times a year and is responsible for monitoring and assessing the adequacy of the Guild Group Board Renewal Policy and then advising the Board of any changes required.

**Board and Board Committee Attendance Summary from 1 July 2017 to 30 June 2018**

Name	Trustee Board	Audit Committee	Risk Management Committee	Guild Group Remuneration	Investment Committee
Number of meetings held	6	5	4	1	5
G. Venardos	6	5	4	1	5
S. Somogyi	6	5	4	–	4
A.R. Bloore	6	–	–	1	4
L.M. Jenkinson	6	5	4	–	–
J. Dowling	6	–	–	–	5
T. Twomey <sup>1</sup>	2	–	–	–	2
N. Panayiaris <sup>1</sup>	2	1	1	–	–
M. Pirone	6	–	–	–	–
T. Logan <sup>2</sup>	4	3 <sup>3</sup>	–	1	–
I. Todd <sup>2</sup>	4	4	3	–	3

1. From 8 March 2018 onwards

2. Until 7 March 2018

3. Member from 7 September 2017

# Investments

## Investment managers

The Trustee uses external investment managers to invest the Fund's assets within the guidelines set out by the Trustee. The Trustee aims to achieve the objectives of each investment option by investing in pooled investment products that are managed by external professional investment managers. The performance of each manager is closely monitored and changes are made when appropriate.

As per the table below, the majority of assets are now managed by Russell Investment Management Limited. Some assets are managed by Mercer Investment (Australia) and some residual cash is held in a National Australia Bank account.

The following table shows the Fund's investment holdings as a percentage of assets that investment managers held as at 30 June 2018.

Investment Holdings	%
Russell After-Tax Australian Shares Fund	31
Russell Tax Effective Global Shares Fund	13
Russell Investments Low Carbon Global Shares Fund (Hedged)	3
Russell Investments Low Carbon Global Shares Fund	10
Russell Emerging Markets Shares Fund	2
Russell International Property Securities Fund \$A Hedged	3
Vanguard International Property Securities Index Fund Hedged	3
Russell Global Listed Infrastructure Fund \$A Hedged	4
Vanguard Global Infrastructure Fund Hedged	1
Mercer Global Unlisted Infrastructure Fund	3
Mercer Australian Direct Property Fund	4
Russell Australian Bond Fund	8
Russell Emerging Market Debt Local Currency Fixed Income	3
Russell Investments Global High Yield Fund	2
Russell Australian Cash Fund	2
Russell Australian Cash Enhanced Fund	5
AUD Cash	1

Please note actual holdings may vary slightly due to rounding.

## Investment performance

The tables below show each investment option's net investment return to 30 June over the past five financial years as well as the compound average rate of net earnings for the five-year period ending 30 June 2018. The investment returns are net of investment fees and investment tax (where relevant).

### GuildSuper and Child Care Super

Investment Option	Investment returns (%) for the year ended 30 June					Compound average (% p.a.)
	2018	2017	2016	2015	2014	5 years to 30 June 2018
Consolidating	6.2	6.8	3.5	6.1	–	6.1*
Growing	8.4	9.8	2.8	8.0	–	7.6*
Building	10.7	12.7	2.6	10.1	–	9.4*
Secure	1.3	1.0	2.3	1.8	2.0	1.7
Conservative	4.4	3.5	4.1	4.1	6.3	4.5
Balanced	6.4	6.6	3.7	6.3	9.6	6.5
Growth	8.5	9.8	3.0	8.4	12.6	8.4
High Growth	10.6	12.8	2.1	10.3	15.9	10.2
Property Securities	5.3	3.1	9.7	9.2	14.4	8.3
Australian Shares	11.8	11.9	0.3	4.8	15.2	8.6
International Shares (Unhedged)	12.4	17.0	0.1	22.1	16.7	13.4

Past performance is not a reliable indicator of future returns.

\* As the MySuper Lifecycle Investment Strategy commenced on 1 October 2013, these figures show the total net investment return for the period from the investment option's commencement date.

### GuildPension

Investment Option	Investment returns (%) for the year ended 30 June					Compound average (% p.a.)
	2018	2017	2016	2015	2014	5 years to 30 June 2018
Secure	1.3	1.6	2.1	2.5	2.6	2.0
Conservative	4.5	4.4	3.9	5.3	7.6	5.1
Balanced	6.0	7.6	3.7	6.9	10.5	6.9
Growth	9.0	11.0	2.8	8.8	14.5	9.2
High Growth	11.8	12.6	2.0	9.4	17.9	10.6

Past performance is not a reliable indicator of future returns.

## How returns are allocated to accounts

The net earnings of each investment option are reflected in the change in the price of each unit in that option. The effective rate of net earnings for a given period can therefore be determined by the proportionate change (positive or negative) in the unit prices from the start to the end of the period. It is the difference in these prices that shows how the option has performed over the year. It is important to remember that although the unit price may have fallen, the number of units held has only varied in line with the transactions on the account, for example units are added when contributions are made and deducted when items like fees and tax are paid.

# Investments continued

## Investment objectives and strategies

The Trustee's investment strategy is to invest in a diversified portfolio of asset classes in accordance with each respective benchmark. Each investment option's investment mix is managed by the Trustee in accordance with the investment strategies set out in the following pages. The actual asset allocation may vary from time to time but will generally remain within the investment ranges set out in the following pages. The asset allocation may move outside those ranges in limited circumstances such as any large transition of assets.

More information on investment options can be obtained by referring to the Fund's *Product Disclosure Statements* or by referring to [guildsuper.com.au](http://guildsuper.com.au) or [childcaresuper.com.au](http://childcaresuper.com.au).

## MySuper Lifecycle Investment Strategy

The MySuper product was launched on 1 October 2013 and is only available to GuildSuper and Child Care Super members.

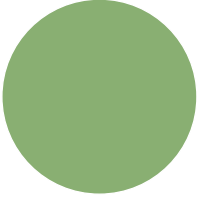
	Building		Growing		Consolidating	
Investment Return Objective*	CPI + 4.0% p.a. over rolling 10 year periods		CPI + 3.0% p.a. over rolling 10 year periods		CPI + 2.5% p.a. over rolling 10 year periods	
■ Total growth assets	98%		77%		53%	
■ Total defensive assets	2%		23%		47%	
Asset class	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
● Australian shares	36	25 to 55	28	15 to 41	17	5 to 40
● International shares	38	20 to 60	25	10 to 50	16	5 to 40
● Property	11.5	0 to 25	10.5	0 to 20	8	0 to 20
● Alternatives (growth)	12.5	0 to 30	13.5	0 to 30	12	0 to 30
<b>Total growth</b>	<b>98</b>	<b>90 to 100</b>	<b>77</b>	<b>60 to 90</b>	<b>53</b>	<b>35 to 65</b>
● Fixed interest	2	0 to 10	13	0 to 30	24	0 to 45
● Alternatives (defensive)	0	0 to 10	3	0 to 10	5	0 to 15
● Cash / Money market securities	0	0 to 10	7	0 to 20	18	5 to 45
<b>Total defensive</b>	<b>2</b>	<b>0 to 10</b>	<b>23</b>	<b>10 to 40</b>	<b>47</b>	<b>35 to 65</b>

\* Return targets are after all investment and administration fees, costs and taxes.

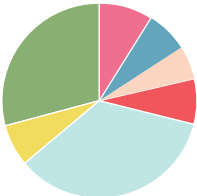
## MyMix Solution suite of investment options

These investment options are available to GuildSuper, Child Care Super and GuildPension members.


Secure	
<b>Investment objective</b>	To provide gross investment returns at least equal to the Bloomberg Bank Bill Index returns over rolling 1 year periods.
<b>Investment mix</b>	<b>100% Defensive</b>
<b>Asset class</b>	<b>Benchmark (%)</b>
● Cash / Money market securities	100
<b>Total defensive</b>	<b>100</b>



Conservative	
<b>Investment objective</b>	To provide net (after investment fees and investment tax) investment returns of at least 2.0% per annum above CPI increases over rolling 3 year periods.
<b>Investment mix</b>	<b>29% Growth</b> <b>71% Defensive</b>
<b>Asset class</b>	<b>Benchmark (%)</b> <b>Range (%)</b>
● Australian shares	9      0 to 20
● International shares	7      0 to 25
● Property (listed & unlisted)	5.5      0 to 20
● Alternatives (growth)	7.5      0 to 20
<b>Total growth</b>	<b>29</b> <b>10 to 40</b>
● Fixed interest	35      0 to 60
● Alternatives (defensive)	7      0 to 20
● Cash / Money market securities	29      20 to 60
<b>Total defensive</b>	<b>71</b> <b>60 to 90</b>



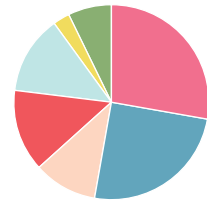
Balanced	
<b>Investment objective</b>	To provide net (after investment fees and investment tax) investment returns of at least 2.5% per annum above CPI increases over rolling 5 year periods.
<b>Investment mix</b>	<b>53% Growth</b> <b>47% Defensive</b>
<b>Asset class</b>	<b>Benchmark (%)</b> <b>Range (%)</b>
● Australian shares	17      5 to 40
● International shares	16      5 to 40
● Property (listed & unlisted)	8      0 to 20
● Alternatives (growth)	12      0 to 30
<b>Total growth</b>	<b>53</b> <b>35 to 65</b>
● Fixed interest	24      0 to 45
● Alternatives (defensive)	5      0 to 15
● Cash / Money market securities	18      5 to 45
<b>Total defensive</b>	<b>47</b> <b>35 to 65</b>



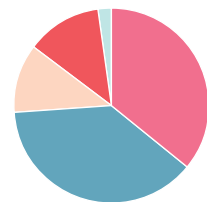
# Investments continued

## MyMix Solution suite of investment options (contd.)

Growth		
<b>Investment objective</b>	To provide net (after investment fees and investment tax) investment returns of at least 3.0% per annum above CPI increases over rolling 8 year periods.	
<b>Investment mix</b>		
Asset class	Benchmark (%)	Range (%)
● Australian shares	28	15 to 41
● International shares	25	10 to 50
● Property (listed & unlisted)	10.5	0 to 20
● Alternatives (growth)	13.5	0 to 30
<b>Total growth</b>	<b>77</b>	<b>60 to 90</b>
● Fixed interest	13	0 to 30
● Alternatives (defensive)	3	0 to 10
● Cash / Money market securities	7	0 to 20
<b>Total defensive</b>	<b>23</b>	<b>10 to 40</b>



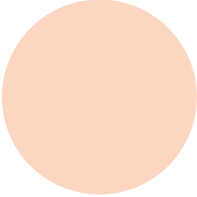
High Growth		
<b>Investment objective</b>	To provide net (after investment fees and investment tax) investment returns of at least 4.0% per annum above CPI increases over rolling 10 year periods.	
<b>Investment mix</b>		
Asset class	Benchmark (%)	Range (%)
● Australian shares	36	25 to 55
● International shares	38	20 to 60
● Property (listed & unlisted)	11.5	0 to 25
● Alternatives (growth)	12.5	0 to 30
<b>Total growth</b>	<b>98</b>	<b>90 to 100</b>
● Fixed interest	2	0 to 10
● Cash / Money market securities	0	0 to 10
<b>Total defensive</b>	<b>2</b>	<b>0 to 10</b>



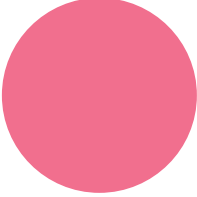
## MyMix Solution suite of investment options (contd.)

These investment options are only available to GuildSuper and Child Care Super members.

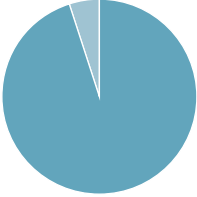
Property Securities		
Investment objective	To provide gross investment returns at least equal to the FTSE EPRA/NAREIT Developed Index in Australian Dollars (Hedged) over rolling 7 year periods.	
Investment mix	100% Growth	
Asset class	Benchmark (%)	Range (%)
● Property (listed)	100	90 to 100
<b>Total growth</b>	<b>100</b>	<b>90 to 100</b>
● Cash / Money market securities	0	0 to 10
<b>Total defensive</b>	<b>0</b>	<b>0 to 10</b>



Australian Shares		
Investment objective	To provide gross investment returns at least equal to the S&P/ASX 300 Accumulation Index returns over rolling 7 year periods.	
Investment mix	100% Growth	
Asset class	Benchmark (%)	Range (%)
● Australian shares	100	90 to 100
<b>Total growth</b>	<b>100</b>	<b>90 to 100</b>
● Cash / Money market securities	0	0 to 10
<b>Total defensive</b>	<b>0</b>	<b>0 to 10</b>



International Shares (unhedged)		
Investment objective	To provide gross investment returns at least equal to the MSCI World Index (ex-Australia) in Australian Dollars Net Dividends Reinvested (unhedged), over rolling 7 year periods.	
Investment mix	100% Growth	
Asset class	Benchmark (%)	Range (%)
● International shares	95	80 to 100
● International emerging markets	5	0 to 10
<b>Total growth</b>	<b>100</b>	<b>90 to 100</b>
● Cash / Money market securities	0	0 to 10
<b>Total defensive</b>	<b>0</b>	<b>0 to 10</b>



# Investments continued

## Use of Derivatives

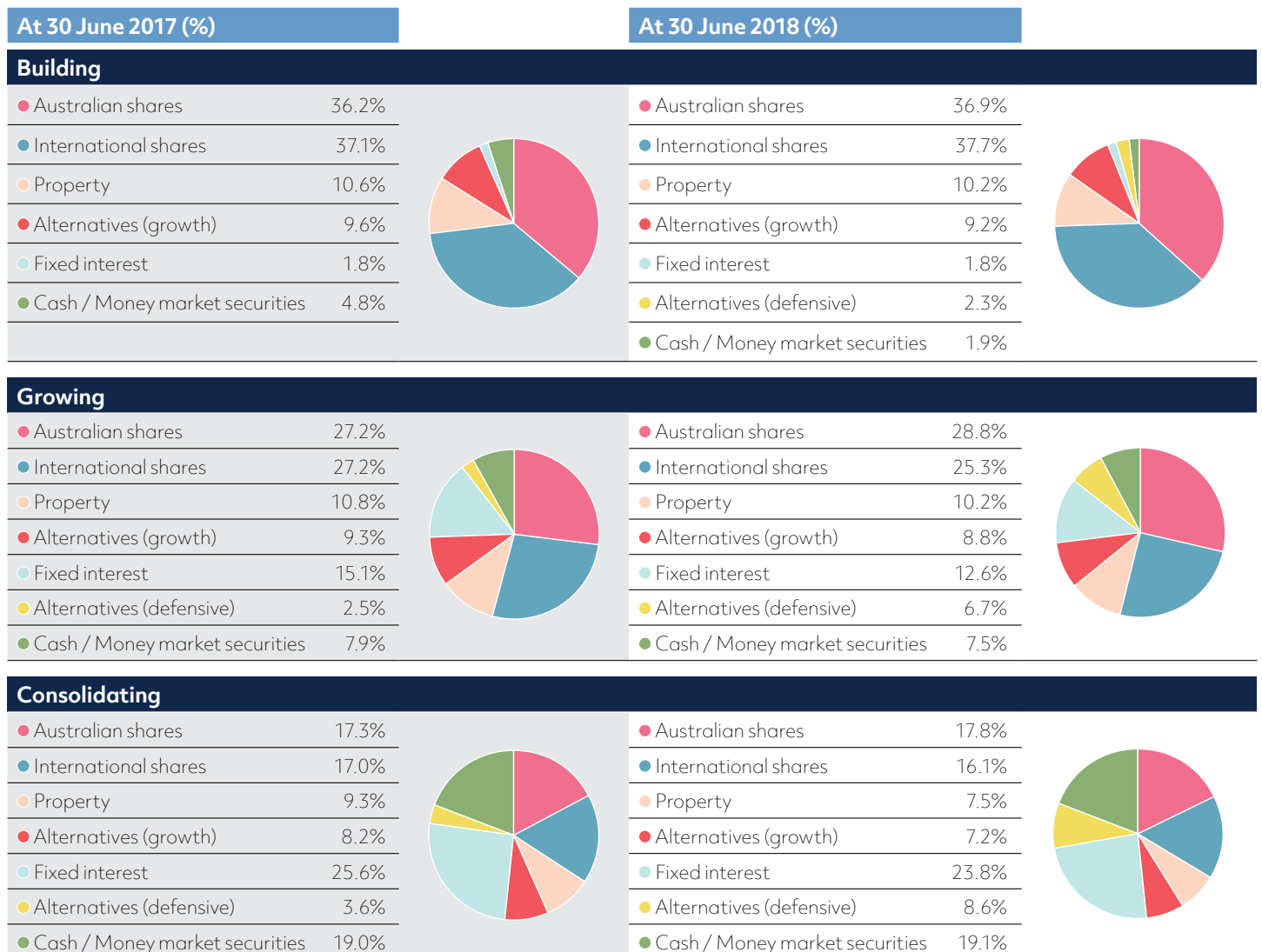
The Trustee will not normally invest directly in derivatives, but may do as a short-term mechanism to achieve a desired asset allocation during the transitioning of assets between investment managers. Underlying investment managers may use derivatives as a tool to help manage investment risk. Some examples of derivatives include futures and options.

## Investment asset allocations

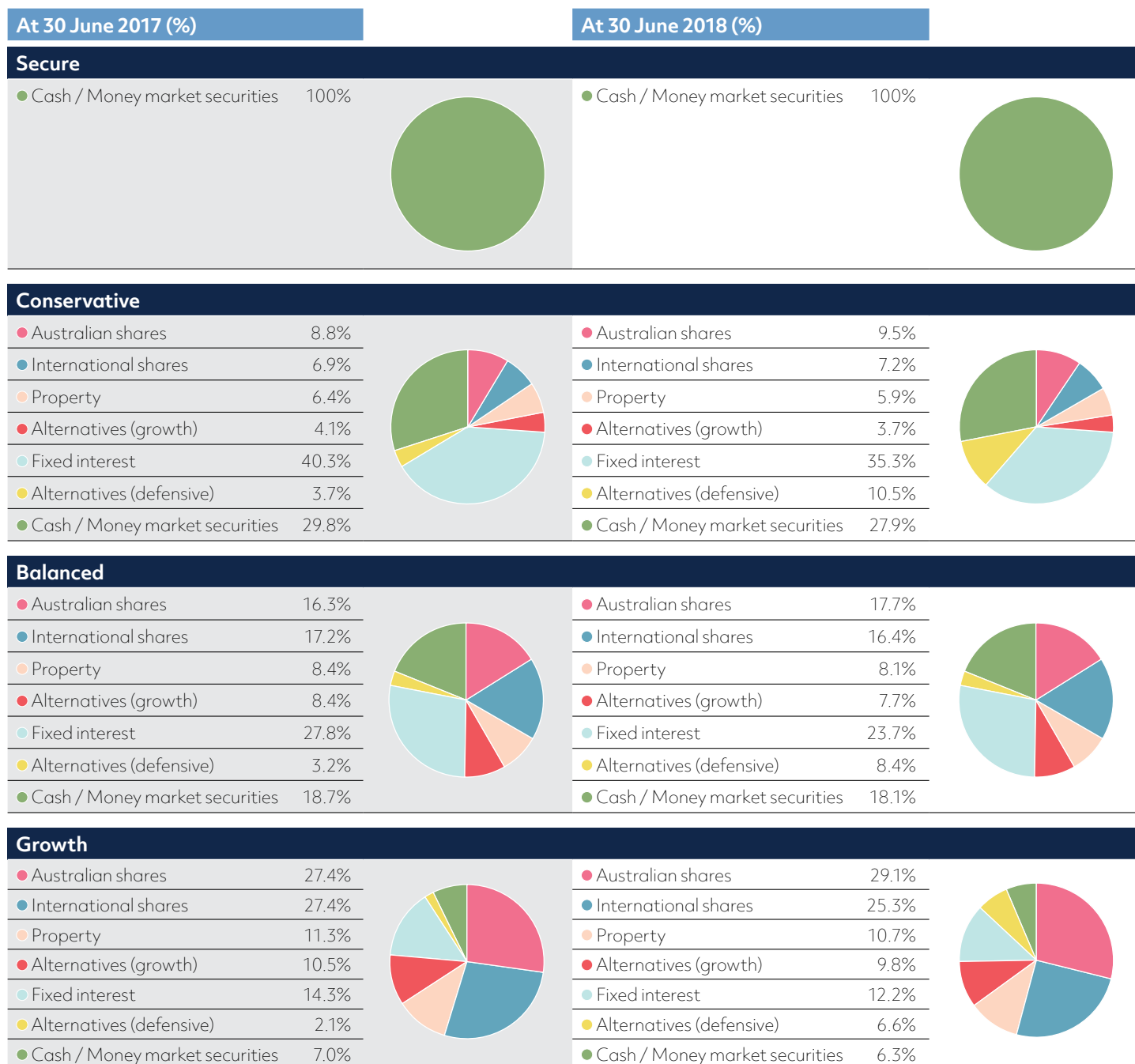
The following shows the actual asset allocation of each investment option for the assets attributable to GuildSuper and Child Care Super members and GuildPension members at 30 June 2018 and 30 June 2017.

## GuildSuper and Child Care Super

### The MySuper Lifecycle Investment Strategy

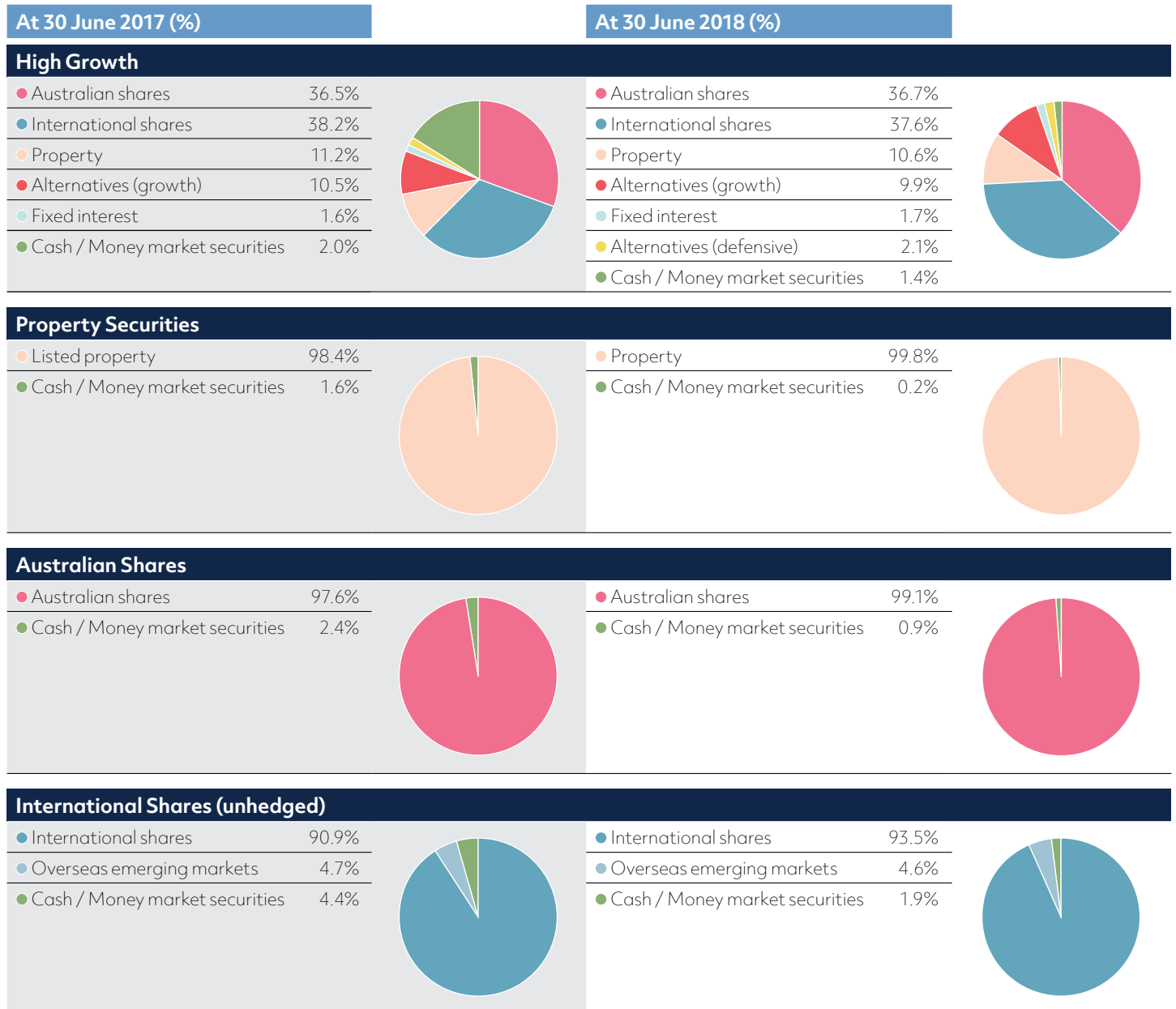


## MyMix suite of investment options

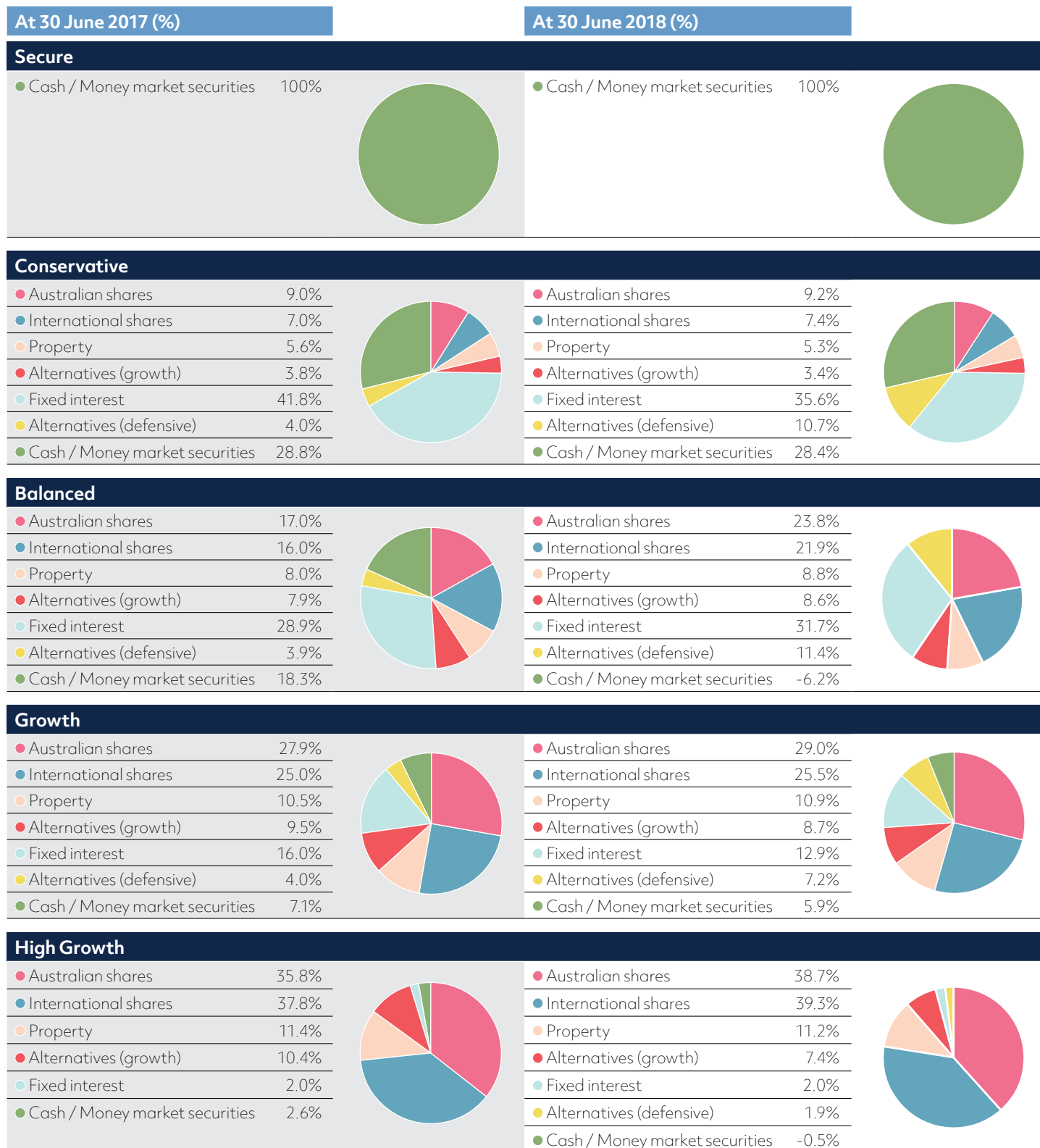


# Investments continued

## MyMix suite of investment options (contd.)



## GuildPension



# Financial information

The following information is a summary of the Financial Statements for the Fund for the year ended 30 June 2018. The accounts have been prepared on an accrual basis and comply with the requirements of the relevant accounting standards. Assets are shown at net market value. The Financial Statements have been audited by Ernst & Young.

The Fund's full set of Audited Financial Statements are on the website and available to members on request.

## Statement of financial position as at 30 June 2018

	2018 \$'000	2017 \$'000
<b>Assets</b>		
Cash and cash equivalents	32,726	60,212
Receivables	1,472	4,461
Investments	1,738,504	1,492,342
<b>Total assets</b>	<b>1,772,702</b>	<b>1,557,015</b>
<b>Liabilities</b>		
Creditors and accruals	3,486	3,177
Current tax liabilities	4,208	5,397
Deferred tax liabilities	11,379	4,516
<b>Total liabilities excluding member liabilities</b>	<b>19,073</b>	<b>13,090</b>
<b>Net assets available for member benefits</b>	<b>1,753,629</b>	<b>1,543,925</b>
Member benefits	1,722,401	1,527,589
<b>Net assets</b>	<b>31,228</b>	<b>16,336</b>
<b>Equity</b>		
Operational risk financial reserve	4,490	4,409
Contingency reserve	3,988	3,000
Amount not yet allocated	22,750	8,927
<b>Total equity</b>	<b>31,228</b>	<b>16,336</b>

## Income Statement for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
<b>Superannuation activities</b>		
Interest	217	606
Trust distributions	76,756	129,175
Net remeasurement change in assets measured at fair value	73,636	19,359
Other investment income	6,477	4,394
Other income	0	79
<b>Total superannuation activities revenue</b>	<b>157,086</b>	<b>153,613</b>
<b>Expenses</b>		
Direct investment expense	4,057	4,288
General administration expense	12,997	12,427
Bank charges	5	6
<b>Total expenses</b>	<b>17,059</b>	<b>16,721</b>
<b>Profit from operating activities</b>	<b>140,027</b>	<b>136,891</b>
Less net benefits allocated to member accounts	(119,557)	(143,738)
<b>Profit/Loss before income tax</b>	<b>20,470</b>	<b>(6,846)</b>
Income tax expense/ (benefit)	5,635	9,457
<b>Profit/Loss after income tax</b>	<b>14,835</b>	<b>(16,303)</b>

Contribution surcharge payments (if any) are deducted from member accounts.

# Financial information continued

## Statement of changes in member benefits for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
Opening balance of members' liabilities	1,527,589	1,300,823
<b>Contributions received</b>		
Employer contributions	175,410	164,630
Member contributions	14,966	18,708
Government co-contributions	311	347
Transfer in	26,967	25,825
Income tax on contributions	(27,042)	(24,499)
<b>Net after tax contributions</b>	<b>190,612</b>	<b>185,011</b>
<b>Benefits paid</b>		
Lum sum payments	(23,927)	(28,661)
Transfers to other funds	(85,305)	(72,263)
Pensions paid	(1,063)	(969)
Tax benefit from anti detriment	125	100
<b>Net benefits paid</b>	<b>(110,170)</b>	<b>(101,793)</b>
<b>Insurance</b>		
Insurance premiums charged to member	(16,031)	(16,079)
Death and disability benefits credited to members	8,439	13,468
Tax benefit from insurance deduction	2,405	2,421
<b>Net insurance cost</b>	<b>(5,187)</b>	<b>(190)</b>
<b>Benefits allocated to members' accounts, comprising:</b>		
Investment earnings applied to members	132,554	156,165
Administration fees paid by members	(12,997)	(12,427)
<b>Net benefit allocated to members' accounts</b>	<b>119,557</b>	<b>143,738</b>
<b>Closing balance of members' liabilities</b>	<b>1,722,401</b>	<b>1,527,589</b>

## Reserves

### Contingency Reserve

The Fund maintains a Contingency Reserve and it is managed in accordance with the Fund's Contingency Reserving Policy.

The Reserve provides a buffer against losses not covered by the Operational Risk Financial Reserve (ORFR). It is also used to provide funding for the Operational Risk Financial Reserve. The target level of the reserve is 0.15% of the Fund's net assets as at 30 June.

	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2016 \$'000
Balance at the beginning of the year	3,000	1,868	557
Current year increases	931	1,582	1,311
Transfer to ORFR	0	(450)	0
Recoverable on insurance	57		
Balance at the end of the year	3,988	3,000	1,868

### Operational Risk Financial Reserve

Effective 1 July 2013, the Fund established an Operational Risk Financial Reserve in accordance with APRA's prudential standards. This Reserve is managed in accordance with the Fund's Operational Risk Financial Reserve Requirement Strategy.

The Trustee may use the reserve to make a payment to address an operational risk event. The target level of the reserve is 0.30% of the Fund's net assets as at 30 June.

	30 June 2018 \$'000	30 June 2017 \$'000
Balance at the beginning of the year	4,409	3,882
Current year increases	81	77
Net transfers		450
Balance at the end of the year	4,490	4,409

\*includes interest, tax, deduction of benefits and transfers from/to the Contingency Reserve

# Important information



## What should I do if I have a complaint?

The objective of GTS' complaints handling process is to ensure that all complaints are handled in an effective, prompt and objective manner. If you have a complaint about a financial product or the service provided to you by us, the following process will be followed:

- You should lodge a complaint with our 'Complaints Officer'.
- The Complaints Officer will acknowledge receipt of your complaint and endeavour to resolve the complaint within 45 days of receipt.
- If you are not satisfied with the Complaints Officer's decision or you have not received a response within 45 days of the complaint being lodged, you can request a review of your complaint by the Trustee's Delegate.
- The Trustee's Delegate will have up to 45 days from receipt of your complaint to provide you with a written decision.

You can lodge a complaint via the following channels:

### **GuildSuper**

By telephone: **1300 361 477**  
By mail: **GPO Box 1088,  
Melbourne,  
Victoria, 3001**

### **Child Care Super**

By telephone: **1800 060 215**  
By mail: **GPO Box 2788,  
Melbourne,  
Victoria, 3001**

### **GuildPension**

By telephone: **1300 665 722**  
By mail: **GPO Box 1088,  
Melbourne,  
Victoria, 3001**

GTS will endeavour to resolve your complaint as soon as possible and by no later than 90 days of receipt.

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## What can I do if I'm not satisfied with the outcome of my complaint?

If you do not receive a response to your complaint from us within 90 days of lodgment or if you are not satisfied with the response received; you can take your complaint to the Superannuation Complaints Tribunal (SCT), which is an independent federal government body. If the SCT can deal with your complaint, it will attempt to resolve the complaint through conciliation. If that is unsuccessful, the SCT will review the decision to which the complaint relates. Please note, the SCT has certain time limits for lodgment of complaints.

For more information about the SCT's requirements and time limits, you can contact the SCT at:

### Australian Financial Complaints Authority

GPO Box 3  
Melbourne VIC 3001

Phone: 1800 931 678

Fax: (03) 9613 6399

Email: [info@afca.org.au](mailto:info@afca.org.au)

Web: [www.afca.org.au](http://www.afca.org.au)

ASIC also has an Information Line on 1300 300 630 which may be used to obtain further information about your rights.

### Indemnity insurance

Under the Fund's Trust Deed, the Trustee has the right to be indemnified out of the Fund's assets for all liabilities it may incur except in the case of dishonesty, wilful neglect or misconduct. Professional indemnity insurance is in place to protect the Trustee and members' interests.







# If you need more information

If you require additional information about this Annual Report or your account, in the first instance please refer to the Product Disclosure Statement which is available on the Fund's website, or contact the Fund on the details below.

## **GuildSuper**

 **1300 361 477** |  **GPO Box 1088, Melbourne VIC 3001** |  **guildsuper.com.au**

## **Child Care Super**

 **1800 060 215** |  **GPO Box 2788, Melbourne VIC 3001** |  **childcaresuper.com.au**

## **GuildPension**

 **1300 665 722** |  **GPO Box 1088, Melbourne VIC 3001** |  **guildsuper.com.au/pension**

### **Trustee and Issuer:**

Guild Trustee Services Pty Limited, 171 Collins Street, Melbourne, VIC 3000. ABN 84 068 826 728, AFS Licence no. 233815, as Trustee for the Guild Retirement Fund ABN 22 599 554 834, Fund Reg. No. R1000030, MySuper authorisation No. 22599554834526.

The Trustee is part of the Guild Group. Although the Trustee believes the information in this report is accurate and reliable as at the date of this document, to the extent permitted by law, no company in the Guild Group, nor any director or any officer of any company in the Guild Group, makes any representation or warranty as to the accuracy, reliability or completeness of material in this document. Except in so far as liability under any statute cannot be excluded, companies in the Guild Group and directors, officers, employees and consultants of the Guild Group do not accept any liability (whether arising in contract, tort or negligence or otherwise) for any error or omission in this document (whether direct, inconsequential or otherwise) suffered by the recipient of this information or any other person.

Some of the information in this document is based on an interpretation of relevant laws as at 1 September, 2018. You should consider if GuildSuper / Child Care Super / GuildPension is right for you by reading the PDS available at [guildsuper.com.au](http://guildsuper.com.au) / [childcaresuper.com.au](http://childcaresuper.com.au)