

GUILD TRUSTEE SERVICES PTY. LIMITED
(in its capacity as Trustee for the Guild Retirement Fund)
A.C.N. 068 826 728

**MINUTES OF GUILD RETIREMENT FUND ANNUAL MEMBERS’
MEETING**

held at Meeting Room 13.10 Level 13, National
Office, 171 Collins Street, Melbourne Victoria
on Wednesday, 7 December 2022 at 11:00am (AEDT).

ATTENDEES:	Ms. L. Jenkinson Ms. K. Pratt Mr. N. Panayiaris Mr. M. Pirone Mr. P. Cassidy Mr. G. Everett Ms. K. Steffanoni Ms. H. Watson Mr. W. Leong Ms. V. Delcus	Chair & GTS Non-Executive Director GTS Non-Executive Director GTS Director (Affiliated) GTS Non-Executive Director Guild Group CEO General Manager, GTS Head of Strategy & Delivery, GTS Partner, Ernst & Young (representative) Principal Consultant Frontier (representative) Executive Assistant and Project Manager
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MEETING OPENING

1. Meeting Opening

The meeting was opened at 11:00am (AEDT).

PRESENTATION

2. Welcome, introductions and overview

Mr. Everett welcomed members to the Guild Retirement Fund (GRF) Annual Members’ meeting and acknowledged that this meeting was being held on the traditional lands of the Wurundjeri people of the Kulin Nation and paid respect to the elders’ past, present and emerging. He also recognised any past or currently serving members of the Australian Defence Force.

Mr. Everett opened the meeting by introducing members to the Fund’s Chair, Directors and Guild Group CEO, in addition to attending representatives from Ernst & Young and Frontier.

Mr. Everett, as the General Manger of the Fund, clarified the order of the meeting and presentation to follow. Key points included:

- GRF is made up of over 86,000 members who have invested over \$2.4 billion with the Fund. One of the unique factors of the GRF is the very special member demographic where over 84% of members are women, which is the highest percentage of any fund in Australia and the average age is just 33. GRF members come primarily from the pharmacy, early learning and allied health industries, many of whom have been on the frontline of providing COVID support to the community over the past 2.5 years and we thank them very much for their contribution during that period.

For the year that ended 30 June 2022, over 14,000 new members joined the Fund, over \$276 million in contributions from employers or members were received into the Fund and over 25,000 employers contributed to Guild Super or Child Care Super over the course of 2022. 2021-2022 was another successful year for the fund. During the year the change of the

administration model was bedded down, new and improved digital portals were delivered for members and employers which enabled them to have easier access to their fund. This change also provided a reduction in the operating costs of the Fund, which members have seen flowing through in terms of reduced fees over the year. The MySuper product also achieved a AAA rating from Rainmaker rating agency, which is the highest rating they assign to any product. A highlight for the year was being awarded the best MySuper Lifecycle product for 2022 in Money Magazine's Best of the Best Awards.

Mr. Everett then introduced the Chair of the Fund, Ms. Linda Jenkinson to talk further about how having the highest percentage of women of any fund in Australia is the cornerstone of GRF's vision and strategy, and to explain some of the initiatives the Fund has implemented over the past year.

3. Vision & Strategy

Ms. Jenkinson thanked Mr. Everett for his introduction and stated that she was delighted to represent GuildSuper to talk about what the business is doing for our members. Key points included:

- Our vision, the vision for Guild Super, is to be the fund that changed the future for women and their families. This is incredibly important to us and everything we do is focused on this vision. There are more than 73,000 women as members of our Fund and we are passionate about helping every one of them take control of their financial future.
- Our view is it's not okay that women in Australia retire with about half the balance in superannuation as men and we spend a lot of time thinking about how we can help them change that. It's not okay that retired women are the fastest growing demographic of homelessness in Australia. The Board and Management are passionate about delivering services for our unique membership and everything we do is aligned to executing that vision, to be the fund that changed the future for women and their families.
- Claire is a profile of our typical member. The challenges that the Claires of the world face is finding time in their busy lives to make the decisions today that will change their future, i.e., how do you trade off being able to save money when you are dealing with the day-to-day. Claire is thirty-four, married with one child and intends to have another. Across her working life, she will spend about four years out of the workforce caring for children or elderly parents. When Claire returns to work, it may be part time or casual. The impact of this time out at a critical time, and the reduced income through working part time, makes it hard for Claire to save enough super to take care of her financial future.
- If Claire had withdrawn money from super through the COVID early release scheme, as many of our members needed to, this will have impacted her balance at retirement even further. Claire knows that she should be putting more into her super, but with a tight household budget, in most cases there just isn't enough money left over each week to do it. Understanding the challenges Claire faces in saving for her financial future while managing a tight budget drove us, at GuildSuper, to come up with a different approach to help Claire, which linked contributing to super with the weekly groceries, not just Claire's income. We call it SUPERSUPER. The challenge that we had was we can't help you make more money, but we can help you leverage the money that you're already spending.
- SUPERSUPER is a program that can help you increase the superannuation that you have over time. We have implemented a shopping rewards program where the discounts from retailers are paid as cash contributions directly into your super every time

you shop. Through this program Claire can contribute more than \$1,000 a year to her super just by doing her normal weekly shopping, it won't cost her anything extra and by doing that, if she used it for all of her weekly shopping, she could add an extra \$100,000 to her super balance by the time she retires.

- In the 2021-2022 year, what's significantly changed? We have improved the member engagement and experience by rapidly increasing the usage of our online portal and as of November, we have also launched an app. This enables our members to go straight to the app and download it to gain greater access to their super and also SUPERSUPER in a really easy and convenient way. We've also brought our member service team in-house.
- I've mentioned the portals and how important they are, and I can't emphasise enough that we would like all of you to be signed on to the online portals and to be downloading the app. Over 50% of our members are registered for our online portal and our goal is to continue to increase this number. So please go to the app store and download those apps. Why is this important and what have we been doing about improving outcomes for you?
- On the investment side, we've made significant changes to our investment structures and strategy. Paul Cassidy is going to talk to that shortly. A lot of our focus during the year was on improving the MyMix product by simplifying the investment options and reducing fees. The changes we made to the MyMix investment options also flowed through to the GuildPension members, who also experienced a substantial reduction in administration fees. These changes follow the improvements we have made to the MySuper products over the past 2 years.
- We've brought the member service team in-house to improve our ability to service and support all of our members and our employers around our vision and goal of increasing your superannuation for your retirement.

Ms. Jenkins then thanked all members and employers for choosing GuildSuper and introduced the Guild Group's CEO, Mr. Paul Cassidy to present the Investment Update.

4. Investment Update

Mr. Cassidy welcomed members, then reported on the Funds' investments, in particular the returns over the past 12 months. Key points included:

- For the first half of the year, investment markets were very strong, which continued the high returns members experienced in the previous financial year to 30 June 2021. In that year, the Fund returned record investment returns for members and the Fund was recognised as the best MySuper Lifecycle product for 2022 in *Money Magazine's* Best of the Best Awards. This is a fantastic achievement and provides independent recognition for the quality of the MySuper product that the vast majority of members are invested in.
- The second half of the year, however, was a vastly different experience to the first half. The global economy and the investment markets faced significant uncertainty and challenges with the war in Ukraine disrupting the political landscape and increasing energy prices. Global supply chains, which were already impacted by COVID, were further disrupted by the war and the ongoing lockdowns in China with their COVID-Zero policy. This led to prices for goods and services rising significantly and resulted in an increasing inflation rate.
- We've all experienced the effect of the increasing inflation rate on the prices at the supermarket checkout and when filling up our cars. In response to this inflation taking hold, central banks globally, including Australia's Reserve Bank, started increasing interest rates to reduce demand in the economy, and ultimately reduce the rate of inflation. These factors have all resulted in much higher volatility in investment

markets and a reduction in the value of most growth assets such as shares and property, which your funds are invested in.

- During May and June in particular, there was a significant correction in global investment markets, resulting in negative returns for the year to 30 June 2022. With a higher allocation of growth assets in your investments, it is however important to consider the longer-term returns of your investment options, which pleasingly are all delivering above the return objectives and providing good outcomes for members.
- ESG, which is a consideration of the Environmental, Social and corporate Governance factors that we consider in managing your money, are increasingly taking a more central role in how we think about investing your money. This focus is reflected in the fact that around two-thirds of our total investment portfolio is invested in low carbon funds and all of our investments are tobacco free. We will continue to drive future investment outcomes that are aligned with our ESG beliefs. The Trustee is in the final stages of documenting these beliefs which will soon be published on our website.
- MySuper life stage options. Firstly, and to remind all MySuper members, we have invested your super depending upon your age in three distinct life stages. This ensures we invest more into growth assets when you have a long way to go until your retirement, which provides you with the opportunity for better longer-term returns, meaning you should have more funds in your balance when you retire. We also know that many of our members are working longer than they once did and will, depend on their retirement funds, more than ever before. With life expectancy being higher than it has been in the past, we also know that members will depend on their investment earnings for longer.
- The three life stages are firstly, Life Stage 1, also known as the building stage, is invested almost entirely in Australian and global shares and is suitable for members who are 25 years of age or younger. Life Stage 2, also known as the growing stage, is invested in around 90% of shares, property, infrastructure, and other growth assets, with the remaining 10% in cash and fixed interest. It is suitable for members aged 26 to 59. It's important to note that the level of growth assets in Life Stage 2 was reduced from around 98% to 90% during the year to improve the level of diversification in the portfolio and enable us to better adjust the portfolio to reflect the economic and investment environment that we face.
- Life Stage 3, which is also known as the consolidating stage, has 62% of funds invested in growth assets for members aged 60 and above. This reduces the risk to their account balances as they approach their retirement. Now younger members can manage short-term fluctuations in their accounts, as they have more time to make up any temporary losses. As older members approach retirement, it is important that they don't experience those large fluctuations that may otherwise result in actual losses as they start drawing down on their investments at retirement. During the year we reduced investment fees further through moving more of the assets of the Fund to a passive management style. This attracts lower investment management fees and ultimately leads to higher balances at retirement.
- Some members prefer to choose where they invest their super balances. This means they choose to increase or decrease the level of growth assets in their portfolio to better suit their risk profile. We call this the MyMix options. This year has seen the consolidation of the investment options in MyMix to reduce the complexity for members, and also lower the investment management fees of these options. This in turn will increase the returns to members and their ultimate balances at retirement. This can be seen on the next slide, which is slide 10, which shows the historical returns for the MySuper life stages when compared to their return objectives.
- Now it's important that your investment earnings are sufficient to ensure that you can grow your super account as much as possible. This is why the life stages are invested with an aim of growing your superannuation as you age and accumulate your super. We see that over the long term, each life stage is on track to achieve their investment objectives and help you accumulate more to reach your investment goals. For MyMix, the performance depends on the MyMix options that you have chosen to invest in, so please refer to your individual statements for their performance over the longer term.

- Whilst the one-year returns have been impacted by market conditions, we are pleased that our investment options have delivered solid returns for our members over the longer term. We will continue to work hard to make positive changes and invest our members' money in a risk-aware way so that your retirement funds grow to support your life after retirement, and you can meet your objectives in the long run.

Mr. Cassidy thanked the audience.

5. Question Time

Ms. Krupa Steffanoni, Head of Strategy & Delivery thanked the audience for attending the AMM. As the moderator of the questions-and-answer session of the meeting, she provided a brief overview for members on how to submit a question during the meeting, in addition to also reminding members that personal questions needed to be address outside of the meeting forum, via our contact centre or website.

Ms. Steffanoni, opened the questions-and-answer session by addressing the questions that had been provided to the AMM in advance:

- **Member Question:** *“If you are under 18 do you need to register and use GuildSuper? Also do you need to apply for a TFN if you are under 18?”*
- **Guild Response:** If you are eligible to receive Super Guarantee contributions and are enrolled by your employer in GuildSuper, YES you should register. You should contact the ATO for specific taxation advice regarding the need for a TFN but, in general terms, any person who is employed should lodge their TFN with their employer and super fund.

Ms. Steffanoni thanked the audience for their questions and Mr. Cassidy for providing the response.

6. Conclusion and close of the meeting.

In conclusion, Ms. Steffanoni notified the audience that a copy of the meeting minutes would be made available on the GuildSuper and Child Care Super websites.

On behalf of the Board and the team at the Guild Retirement Fund, Ms. Steffanoni thanked all members for entrusting the Fund with managing their superannuation and wished members the very best for the festive season ahead, and a prosperous 2022.

The meeting concluded at 11:32am (AEDT).