

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

MINTUES OF GUILD RETIREMENT FUND ANNUAL MEMBERS' MEETING

held at Meeting Room 13.1 Level 13, National Office,
171 Collins Street, Melbourne Victoria
on Thursday, 9 December 2021 commenced at 12:00pm (AEDT).

ATTENDEES:	Ms. L. Jenkinson Ms. K. Pratt Mr. N. Panayiaris Mr. M. Pirone 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 / GSSL Managing Director 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 12:00pm.

PRESENTATION

2. Welcome, introductions and overview

Mr. Everett welcomed members to the Guild Retirement Fund 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 and Directors, 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:

- Guild Retirement Fund is a growing fund, and last year welcomed 13,880 new members to the fund. At year end, the Fund has grown to 82,565 members with over \$2.4 billion of funds under management. The Fund is unique in the sense that 85% of our members are women and mostly young women. This is the highest percentage of women as members of any fund in Australia and is the cornerstone of the vision and strategy for the Fund. Last year we received total contributions of \$280 million from members and employers, with over 26,000 employers sending contribution into members' accounts.
- 2021 was an extremely successful year. We delivered record investment returns for our members. We transitioned to a digital administration model, delivering new and improved digital portals for our members and employers. Our MySuper received a AAA quality rating from Rainmaker ratings agency, which is the highest rating they assign to a fund. This success has been recognised externally with the fund winning a number of awards. Last year we won the best MySuper lifecycle product which was announced in the *Money* magazine's Best of the Best awards. The Fund also won the World Pension Summit Innovation award and also the Chant West Best Fund Innovation award for SUPERSUPER

Innovation in 2019. Our Chair, Ms Linda Jenkinson, will talk more about SUPERSUPER shortly.

- We've also been recognised by Chant West through being a finalist for the Specialist Fund of the year for the third time in a row. ESG matters were also taking a more prominent role in how we invest your money, which our Managing Director, Mario Pirone, will explain later in the meeting.

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 our vision and strategy.

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 is to be the fund that changes the future for women and their families in Australia. We have more than 72,000 women as members of our fund. We are passionate about helping them to save enough for a comfortable retirement and change their future. It's not okay that women in Australia retire with half of the balance in superannuation as men. It's definitely not okay that retired women are the fastest growing demographic of homelessness in Australia, in fact, it's appalling. The Board and the GTS team are passionate about how this needs to change and everything we do is aligned to executing on this vision.
- "Claire" is our typical member. She typifies many of our members and the challenges the Claire's of the world face in saving enough for a comfortable retirement. Claire is 34, she's married with one child. She intends to have another and across her working life she's spent four years out of the workforce caring for children or elderly parents, critical jobs for our economy. When Claire returns to work, it may be in a part-time or casual role. The impact of this time out of the workforce and reduced income through working part-time makes it incredibly difficult for Claire to save enough for a comfortable retirement. We see it in the numbers.
- It's exacerbated by the likelihood that Claire withdrew money from her super through the COVID early release scheme to keep the family afloat. This is going to have a significant impact on her balance at retirement even further. Claire knows that she should be saving more, she should be putting more into her super, but her tight household budget, in most cases, just does not have the capacity to do it. We took all of this input and realised that the solution wasn't for Claire to save more because if she could, she would. The solution was to come up with a more innovative approach to how we could improve the retirement outcome for Claire. That's where we came up with the concept of SUPERSUPER.

- SUPERSUPER is about changing Claire's future. SUPERSUPER is a program for the Claire's of the world to take control of their financial futures. It's the first tangible solution that we have implemented in a program of changes that we are making, is our shopping rewards program where the discounts from retailers are paid as cash contributions directly into Claire's super every time Claire shops. Through this program Claire can contribute more than \$1000 per year to super just by doing her normal weekly shopping without it costing her any extra. Now you might say, how can \$1000 a year change an outcome. \$1000 a year can result in additional superannuation of \$100,000 at retirement and this is just by doing what she does every week. It does really change the outcome for Claire.
- SUPERSUPER is more than just a rewards program. Over the next year we will deliver more solutions that will help more members take control of their future. We are implementing a digital solution that will enable us to communicate very effectively with the Claire's of the world to make them feel like Claire is in control of her financial future, as opposed to being resigned not to have enough.
- Digital Transformation - Our intent is to become Australia's leading digital Superfund. In addition to that, everything we do from the Board and right throughout the business, is focused on improving the outcomes we provide to our members.
- Transforming our fund –We have completed a move to completely new technology systems with a system called IRESS. This enables us to take control of the interaction between Claire, Claire's employer, and GuildSuper. To do that, we have a complete member servicing and employer servicing team in-house so we can provide excellent service and support. We have delivered vastly improved member and employer portals, so that it's incredibly easy to get information and to interact. Shortly we are looking to launch our member App which is going to deliver a seamless delivery option for SUPERSUPER with Claire and with the shopping program. The result of all of this is improving multiple member outcomes for Claire.
- Number one, investments. Last year we made significant changes to MySuper and that has resulted in record investment returns for this year, in fact, award winning returns. Mr Mario Pirone, our Managing Director, will talk more about this.
- Secondly, fees. The reason why I'm telling you that we've changed our technology, it has enabled us to reduce our administration fees* to members. In addition to that, the changes that we made on the investment side* have enabled us to reduce investment fees across all products. As of January 1, we will also be reducing admin fees for Guild Pension members.
- Lastly, member services. Our ability to communicate with Claire, to enable Claire to take control of her financial future has been a major focus for us and will continue to be a major focus for us next year.

Ms. Jenkinson then thanked the team for their significant contribution and commitment to the Funds vision of helping Claire (and our 72,000 women membership) to take control of their financial future to achieve a comfortable retirement. Ms. Jenkinson then introduced the Funds Managing Director, Mr. Mario Pirone to present the Investment Update

***Footnote** *Administration fee reductions will be progressively rolled out in 2022 and investment fees reductions will be effective 1 January 2022.*

4. Investment Update

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

- We have been recognised as the best MySuper lifecycle product for 2022 in *Money* magazine's Best of the Best awards. This provides great external recognition for the quality of the MySuper product many of our members are invested in. Our three MySuper options have delivered record returns for the year, and I would like to highlight the results of the Building and Growing options in particular, which over 70,000 of our members are invested in and they're ranked amongst the top returning funds across the industry.
- Building option, was ranked number one for the year with a return of 27.3% and number two over three years with a return of 10.1%. The Growing option was ranked number seven for the year with a return of 25.5% and number one over three years with a return of 10.3%. These results were brought about by significant redesign of our MySuper Lifestages in March 2020, which I will talk about more, shortly. Pleasingly, members in all our options have experienced very good returns due to strong positive investment markets and outperformance of many of the underlining fund managers.
- Investment markets continue to react positively to government, "doing everything it takes" in response to COVID-19, continue to provide high levels of funding to support economic growth. The rapid rollout of effective vaccines across many developed countries, resulted in economies opening up faster than expected and remaining open. The low interest rate environment, both in Australia and globally, has also supported economic growth and higher valuations of growth assets. The Australian stock market rose by 28.5% for the year to 30 June 2021, one of the strongest annual returns ever recorded. Many global equity markets experienced similarly strong returns.
- The valuation of many property and infrastructure assets also rebounded strongly over the year from the faster than expected economic recovery, from the initial fears of the long-term impacts of the pandemic. What's next? while many of us are ready to see the end of another year heavily impacted by restrictions and lockdowns, we can continue to experience breakouts of new variants of COVID. Markets will continue to react to these outbreaks and news of the effectiveness of the vaccines. As it was over 2020 and 2021, the ongoing management of the pandemic across the globe and the recovery from it will vary by country, by industry and by company, and this will impact markets.
- Inflation expectations have also increased markedly over the last six months in conjunction with faster-than-expected economic recovery, high levels of government support and increasing debt levels. We are now seeing interest rates increase for the first time in several years. If inflation continues to rise here and abroad, interest rates will also likely rise, which may slow economic growth and impact the investment markets going forward.
- Consideration of ESG factors is playing a more central role in how we think about investing your money. I'm pleased to confirm that around 73% of our total portfolio is invested in low carbon funds. While this is a great starting point, we know we need to do more. In the coming year we'll be working to baseline the total emission from our portfolio and set reduction targets toward net zero, in addition, all of our investments are also tobacco free.

- MySuper Lifestage options - We have invested your super depending upon your age into three distinctive lifestages, ensuring we invest more into growth assets when you have a longer way to go until your retirement, so you'll have more when you retire. With interest rates at all-time lows, you cannot depend on interest-bearing assets to help you accumulate your account in a way that's going to provide you with a strong funding in retirement.
- We also know that many of our members are working longer than they once did and will depend more on their retirement funds 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 lifestages are, Lifestage 1 is invested 100% in Australian and Global shares and is suitable for those members 25 years and younger. Then there's Lifestage 2, is invested 100% in shares, property and other growth assets and are suitable for members aged 26 to 59. Then there's Lifestage 3, is invested 69% in growth assets and is for members aged 60 and above.
- In March 2020, we increased the allocation to growth assets for all members aged 59 and below in Lifestages 1 and 2. Our analysis showed all would be better off in the long-term by us making this change. This change was rewarded with returns I highlighted earlier. MySuper members who are over 60 are invested in Lifestage 3. As these members head towards retirement, it becomes more important that their account is protected as they arrive at retirement and consider their options in accessing their super. While younger members are able to manage the short-term fluctuations in their accounts because they have more time to make up any temporary losses, older members are more likely to begin to withdraw their money from their accounts and it's important they do not experience any large fluctuations that may result in actual losses as they exit the fund and enter into retirement phase.
- We made these series of changes in lifestages last year and further, more subtle changes to the portfolio this year, we have also been able to reduce investment fees for all members in Lifestages 1, 2, and 3. For all other members, we provide them a choice where they want to invest their super. This means they can increase or decrease the level of growth assets in their portfolio. We call this, MyMix. The options with exposure to growth assets have all delivered strong returns during the last year while the secure option, which invest in cash, has been impacted by the very low interest rate environment.
- We have further positive changes to all investment options that will be delivered during 2021/22. We have moved to a more passive investment style for our many asset classes which will reduce the investment fees you pay. We are also reviewing the MyMix options to better meet members' needs. We will keep you informed of any changes as the year progresses. It's important that your super earnings are enough to ensure that you can grow your super account as much as possible. This is why our lifestages are invested with the aim of growing your superannuation as you age and accumulate your super. We can see over the long-term each lifestage is on track to achieve these investment goals and help you accumulate your retirement funds. The MyMix performance depends on the MyMix options you have chosen to invest in. Please refer to your individual statements.

Mr. Pirone commented on the Funds strong returns for 2021 and the commitment to working hard to make positive changes and investments for our members in order to assist them achieve their retirement goals to support their life after retirement.

5. Question Time

Ms Krupa Steffanoni, Head of Strategy & Delivery thanked the audience for attending the AMM and as the moderator of the questions-and-answer session of the meeting, 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.

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

- **Member Question:** What is the process under the new super stapling legislation, of how to search for an employee's existing Superfund if they don't provide a super choice form to the ATO?
- **Guild Response:** All new employees who joined from 1 November 2021 who have not submitted a choice of fund form, all employees or their agents would need to log onto the ATO online services. The employer or their agent can search for the new employee using the full name, date of birth, and either their TFN or address. This can only be done once the member has submitted a TFN declaration or established a relationship with the employer. The employer can then complete all the required information in the portal. If the employer has a staple fund, this information is provided to the employer. The whole process should only take a couple of minutes.

In the event an employee has multiple open superannuation accounts, the ATO has made a predetermination as to which fund the member would be stapled to. If the employee does not have a staple fund, have not completed a choice of fund form, then the employer can pay into their default fund.

- **Member Question:** Why does my total balance change every day?
- **Guild Response:** At Guild, we invest members' money in a variety of options. We revalue the pricing of these options on a daily basis to reflect changes in investment markets, which in turn impacts the member's total balance. That is why your balance changes on every day.

Ms. Steffanoni thanked the audience for their questions and Mr. Pirone 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 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 12:24pm (AEDT).