

## Aracon Superannuation Pty Ltd.

ABN 13 133 547 396 RSE Licence Number L0003384 AFSL Number 507184

### Transparency Information

#### 1. Introduction

Aracon Superannuation Pty Ltd. ("**Aracon**" or the "**Trustee**") is the trustee of The ARA Retirement Fund (the "**ARARF**" or the "**Fund**"). Aracon holds a Registrable Superannuation Entity ("**RSE**") licence issued by the Australian Prudential Regulation Authority ("**APRA**") and an Australian Financial Services Licence ("**AFSL**") issued by the Australian Securities and Investments Commission ("**ASIC**").

Until 31 October 2018, Aracon was a wholly owned subsidiary of ARA Consultants Limited ("**ARA**"). The investments of the ARARF include units in The ARA Investment Fund (the "**ARAIIF**" or the "**Investment Fund**"), of which ARA is the Responsible Entity.

Effective 31 October 2018, Aracon became a wholly owned subsidiary of Managed Accounts Holdings Ltd ("**MGP**").

Aracon is required to disclose various items of information to be made publicly available, and kept up to date, at all times on its website in accordance with the Transparency Information requirements of section 29QB of the Superannuation Industry (Supervision) Act 1993 ("**SIS Act**"), sections 2.37 and 2.38 of the SIS Regulations 1994 ("**SIS Regulations**"), and ASIC RG 252.

As Aracon and the ARARF does not have their own website, the website of ARA at [www.araconsultants.com.au](http://www.araconsultants.com.au) is utilised by the Trustee for the purposes of making the required disclosures and will reference this website in any published documents and communications.

#### 2. Outsource Service Providers

Aracon's material outsourced service providers for the years ended 30 June 2018 and 30 June 2017, include:

| Material business activity                            | Service provider   |
|---|--|
| <b>Current Providers</b>                              |  |
| Fund Administration                                   | SuperBPO Pty Ltd ABN 83 082 989 142                                      |
| Asset Consulting, Fund Promotion and Trustee Services | ARA Consultants Ltd ABN 78 102 304 692                                   |
| Custody and Banking                                   | National Australia Bank - National Custodian Services ABN 12 004 044 937 |

#### 3. Executive Officer Information

##### 3.1 General Information

The SIS Act defines 'executive officer', in relation to a body corporate, means a person, by whatever name called and whether or not a director of the body, who is concerned, or takes part, in the management of the body.

Aracon's current officers as at 1 November 2018, and former officers for the years ended 30 June 2018 and 30 June 2017, include:

| Executive Officers and Positions  | Qualifications   | Experience as a Trustee or Board member  | Attendance at Board meetings for the years ended 30 June <sup>(1)</sup>   |
|---|--|--|---|
| <b>Current Officers</b>   |  |  |   |
| <p>Pamela Ruth MCALISTER</p> <p><b>Positions:</b><br/>Director (Non-Executive, Chair and Member of Audit, Risk, Remuneration and Compliance Committee (ARRCC))</p> <p><b>Appointed:</b><br/>31 October 2018</p> | <p>Bachelor of Arts / Bachelor of Law; Masters of Law.</p>   | <p>Multiple prior Trustee Board and Compliance Committee appointments in the superannuation and funds management sectors.</p>  | <p>2018: 1 / 5 (to 31 October 2018)</p>   |
| <p>Peter Raymond BROOK</p> <p><b>Positions:</b><br/>Director (Non-Executive and Member of ARRCC)</p> <p><b>Appointed:</b><br/>31 October 2018</p>   | <p>Bachelor of Commerce; Masters of Management; Chartered Accountant, Australia; Graduate of the Australian Institute of Company Directors (GAICD); Graduate of the Australian Institute of Superannuation Trustees (GAIST).</p> | <p>Multiple prior Board appointments in the superannuation, funds management and corporate sectors.</p>  | <p>2018: 1 / 5 (to 31 October 2018)</p>   |
| <p>Alan Walter HAYDEN</p> <p><b>Positions:</b><br/>Director (Non-Executive and Chair of ARRCC)</p> <p><b>Appointed:</b><br/>30 March 2015</p>   | <p>Bachelor of Commerce; Bachelor of Accountancy; Higher Diploma in Company Law; RG146 Compliant; Chartered Accountant, Australia.</p>   | <p>External compliance committee and responsible manager appointments, with a depth of experience in the funds management industry. Alan was appointed as the Chair of Aracon until 31 October 2018.</p> | <p>2018: 5 / 5 (to 31 October 2018)<br/>2017: 6 / 6<br/>2016: 8 / 8<br/>2015: 4 / 4</p>   |
| <p>Alan Brian RIMMER</p> <p><b>Positions:</b><br/>Director (Executive)</p> <p><b>Appointed:</b><br/>3 October 2008</p>  | <p>Bachelor of Commerce; Graduate Diploma of Financial Planning.</p>   | <p>Alan has been appointed as a Director since 2008.</p>   | <p>2018: 4 / 5 (to 31 October 2018)<br/>2017: 5 / 6<br/>2016: 8 / 8<br/>2015: 4 / 4<br/>2014: 4 / 4<br/>2013: 5 / 5<br/>2012: 4 / 4<br/>2011: 4 / 4<br/>2010: 5 / 5<br/>2009: 2 / 2</p> |

|   |   |  |   |
|---|---|--|---|
| <p>Debra Ann COMBEN</p> <p><b>Positions:</b><br/>Director (Executive)</p> <p><b>Appointed:</b><br/>3 October 2008</p>   | <p>Diploma of Financial Planning.</p>   | <p>Debra has been appointed as a Director since 2008. Debra was also been appointed as Secretary with effect from 23 December 2017 to 31 October 2018</p>      | <p>2018: 4 / 5 (to 31 October 2018)<br/>2017: 6 / 6<br/>2016: 8 / 8<br/>2015: 3 / 4<br/>2014: 3 / 4<br/>2013: 3 / 5<br/>2012: 4 / 4<br/>2011: 4 / 4<br/>2010: 4 / 5<br/>2009: 2 / 2</p> |
| <b>Former Officers</b>  |   |  |   |
| <p>John Joseph REID</p> <p><b>Positions:</b><br/>Director (Non-Executive and Chair of Audit, Risk, Remuneration and Compliance Committee)</p> <p><b>Appointed:</b><br/>14 December 2016</p> <p><b>Resigned:</b><br/>31 October 2018</p> | <p>Fellow of the Institute of Actuaries of Australia (FIAA); GAICD.</p>   | <p>Prior directorship appointments for regulated entities, with an extensive background in general management level roles in the wealth management sector.</p> | <p>2018: 4 / 5 (to 31 October 2018)<br/>2017: 4 / 4</p>   |
| <p>Natasha Renee HALL</p> <p><b>Positions:</b><br/>Risk and Compliance Manager</p> <p><b>Appointed:</b><br/>29 January 2018</p> <p><b>Resigned:</b><br/>31 October 2018</p>   | <p>MBA (Executive); Master of Applied Finance; Master of Insurance and Risk Management; Bachelor of Commerce.</p> |  | <p>2018: 5 / 5 (to 31 October 2018)</p>   |
| <p>Gavin Wilson WRIGHT</p> <p><b>Positions:</b><br/>Director (Non-Executive)</p> <p><b>Appointed:</b><br/>3 October 2008</p> <p><b>Resigned:</b><br/>7 January 2018</p>   | <p>Diploma of Teaching; Bachelor of Arts (Legal Studies); Certified Financial Planner.</p>                        | <p>Gavin was appointed as a Director in 2008 and held this role through to 7 January 2018.</p>   | <p>2017: 5 / 6<br/>2016: 7 / 8<br/>2015: 4 / 4<br/>2014: 4 / 4<br/>2013: 5 / 5<br/>2012: 4 / 4<br/>2011: 4 / 4<br/>2010: 4 / 5<br/>2009: 2 / 2</p>                                      |

|   |   |  |  |
|---|---|--|--|
| <p>Catharine CRACK</p> <p><b>Positions:</b><br/>Secretary,<br/>Compliance Manager</p> <p><b>Appointed:</b><br/>17 September 2015</p> <p><b>Resigned:</b><br/>22 December 2017</p> | <p>Bachelor of Arts;<br/>RG146 Compliant –<br/>Financial Planning<br/>and Superannuation.</p> |  | <p>2017: 6 / 6<br/>2016: 8 / 8<br/>2015: 1 / 1</p> |
|---|---|--|--|

<sup>(1)</sup> Represents the number of meetings attended / total number of board meetings held.

### 3.2 Changes to Executive Officers

The following changes were made to the executive officers for the year ending 30 June 2018:

- Catharine CRACK resigned as Secretary to Aracon with effect from 22 December 2017.
- Debra Ann COMBEN, Director of Aracon, was appointed to fulfil the additional role of Company Secretary to Aracon, with effect from 23 December 2017.
- Gavin Wilson WRIGHT resigned as Non-Executive Director to Aracon with effect from 7 January 2018.
- Natasha Renee HALL was appointed as Risk and Compliance Manager and Responsible Person of Aracon with effect from 29 January 2018.

The following changes were made to the executive officers subsequent to 30 June 2018:

- Pamela Ruth MCALISTER was appointed as Non-Executive Director to Aracon with effect from 31 October 2018.
- Peter Raymond BROOK was appointed as Non-Executive Director to Aracon with effect from 31 October 2018.
- Anthony Peter WALSH was appointed as Company Secretary to Aracon with effect from 31 October 2018.
- Brian John STIEG was appointed as Head of Trustee Office and Responsible Person of Aracon with effect from 31 October 2018.
- Craig William GIFFIN was appointed as Head of Risk, Compliance and Legal and Responsible Person of Aracon with effect from 31 October 2018.
- John Joseph REID resigned as Non-Executive Director to Aracon with effect from 31 October 2018.
- Debra Ann COMBEN resigned as Company Secretary to Aracon with effect from 31 October 2018, continuing as a Director of Aracon.
- Natasha Renee HALL resigned as a Responsible Person of Aracon with effect from 31 October 2018.

### 3.3 Proxy Votes

Directors have not appointed proxy votes when not present for meetings.

### 3.4 Exercising of Voting Rights

Aracon did not hold any direct shares in listed companies for the year ended 30 June 2018 and therefore did not exercise any voting rights.

### 4. Payments and Benefits

During the years ended 30 June 2018 and 30 June 2017, Aracon paid a Trustee Services fee from the ARARF calculated at 0.1% (plus Goods and Services Tax or GST) of the ARARF net assets each month to ARA. The following table shows the amount of the fees paid and payable, including any GST and after reduced input tax credits. ARA used these fees to cover any costs of running the Trustee operations, including remunerating its executive officers and directors.

|                              | Year ended<br>30 June 2018 | Year ended<br>30 June 2017 |
|------------------------------|----------------------------|----------------------------|
| Trustee Services Fee         | \$338,000                  | \$335,331                  |
| Trustee Services Fee Rebates | \$100,920                  | \$89,641                   |
| Net Trustee Services Fee     | \$237,080                  | \$245,690                  |

### 4.1 Directors and Executive Officers

On behalf of Aracon, ARA paid the Directors and Executive Officers of Aracon the following amounts for their services to Aracon for the years ended 30 June 2018 and 30 June 2017:

| Director or Executive Officer | Services                                   | Remuneration for the year ended |              | Post employment benefits (Superannuation) for the year ended |              |
|-------------------------------|--|---------------------------------|--------------|--|--------------|
|                               |  | 30 June 2018                    | 30 June 2017 | 30 June 2018   | 30 June 2017 |
| <b>Current Officers</b>       |  |                                 |              |  |              |
| Alan HAYDEN <sup>(1)</sup>    | Director, Board Chair and Committee Member | \$41,675                        | \$35,040     | \$0  | \$0          |
| Alan RIMMER                   | Director                                   | \$0                             | \$0          | \$0  | \$0          |
| Debra COMBEN                  | Director                                   | \$0                             | \$0          | \$0  | \$0          |
| <b>Former Officers</b>        |  |                                 |              |  |              |
| John REID                     | Director and Committee Chair               | \$34,600                        | \$17,462     | \$3,287  | \$1,659      |
| Natasha HALL <sup>(2)</sup>   | Risk and Compliance Manager                | \$83,518                        | \$0          | \$0  | \$0          |
| Gavin WRIGHT <sup>(3)</sup>   | Director                                   | \$16,180                        | \$26,966     | \$1,537  | \$2,432      |
| Catharine CRACK               | Secretary and Compliance Manager           | \$0                             | \$81,295     | \$0  | \$11,524     |

(1) ARA paid a combination of direct wages and consulting fees to Burgis Pty Ltd T/A Hay Enterprises (ACN 054 148 328) that were attributable to the services of Alan Hayden.

(2) ARA paid consulting fees to Hall Advisory Services Pty Ltd (ABN 63 615 549 909) that were attributable to the services of Natasha Hall.

(3) ARA paid a combination of direct wages and consulting fees to Wright Planning Pty Ltd (ABN 86 081 363 831) that were attributable to the services of Gavin Wright.

Aracon's policy is to remunerate its directors and executive officers on a retainer fee and/or consulting fee basis that is appropriate to their experience, qualifications, expected effort (including time-measured rates) and prevailing market rates.

#### 4.2 Related Party Shareholder Entitlements

Where a director is a shareholder of ARA, they may become entitled to take up additional shares and options in ARA from time to time and may receive dividends subject to ARA's profit performance and financial position.

#### 4.3 Other payment and benefits

Aracon did not pay any amounts to its executive officers for any of the following items for the years ended 30 June 2018 or 30 June 2017.

- Short-term cash profit sharing or other bonuses, non-monetary benefit or other short-term employee benefits;
- Long-term employee benefits;
- Termination benefits;
- Payments as consideration for agreeing to hold positions;
- Share-based payments including:
  - equity-settled share based payment transactions as either shares, units, options or rights;
  - cash-settled share-based payment transactions; or
  - any other form of share-based payment compensation;
- Cash bonus, performance related bonuses or share-based payment compensation.

#### 5. Relevant interests and duties

The following table is Aracon's register of relevant interests and duties as at 1 November 2018:

| Executive officer     | Relevant interests   | Relevant duties   |
|-----------------------|--|---|
| Pamela Ruth MCALISTER | None   | Role – Non-executive Director of Managed Accounts Holdings Ltd.<br>Role – Ombudsman at Australian Financial Complaints Authority. |
| Peter Raymond BROOK   | None   | Role – Non-executive Director of Managed Accounts Holdings Ltd.   |
| Alan Walter HAYDEN    | None   |   |
| Alan Brian RIMMER     | 1,160,750 fully paid and 21,000 part paid shares held by Excell Enterprises Pty Ltd as trustee for the Rimmer Family Trust and 250 ordinary shares in ARA Consultants Ltd. | Role - Managing Director at ARA Consultants Limited.  |
| Debra Ann COMBEN      | 125,000 fully paid and 33,000 part paid shares held directly in ARA Consultants Limited.   | Role – Director, Secretary and General Manager, Operations at ARA Consultants Limited.  |
| Anthony Peter WALSH   | None   | Company Secretary and Compliance Manager at Linear Financial Holdings Pty Ltd.  |
| Brian John STIEG      | None   | Head of Trustee Office at Managed Accounts Holdings Ltd.  |
| Craig William GIFFIN  | None   | Head of Risk, Compliance and Legal at Managed Accounts Holdings Ltd.  |

## **6. Rules relating to the nomination, appointment and removal of trustees or trustee directors**

Aracon will invite prospective directors to be nominated for appointment from time to time. These persons will be subject to assessment prior to appointment in accordance with Aracon's Trust Deed, Constitution, Fit and Proper Policy and Governance Framework.

Non-executive directors are appointed for set terms, generally four years, and may be subject to reappointment.

In the event that a Director is identified as not being fit and proper for their role, arrangements will be made for their removal from the Board, in accordance with the Fit and Proper Policy.

## **7. Significant event or material change notices to members**

The following is a summary of the notices provided to members during the past two years:

| <b>Date of Notice</b>                        | <b>Topic</b>  |
|--|---|
| 31 October 2018 - Significant Event Notice   | Change of Ownership of Aracon and Issue of New ARA Retirement Fund PDS and Additional Information Guide |
| 10 September 2017 - Significant Event Notice | New ARA Retirement Fund PDS and Additional Information Guide dated 11 August 2017                       |

## **8. Other documents**

The following documents can be found at <http://www.araconsultants.com.au/publications/>.

### **8.1 The ARA Retirement Fund:**

- Trust Deed and Deed of Amendments
- Product Disclosure Statement
- Additional Information Guide
- Annual Report

### **8.2 Aracon Superannuation Pty Ltd**

- Conflicts Management Framework
- Constitution
- Financial Statements

### **8.3 ARA Consultants Ltd**

- Financial Services Guide

## **9. Effective date of information**

The information contained in this document is effective for the year ended 30 June 2018 (unless otherwise stated) and was last updated on 1 November 2018.

END OF PAPER