

MEDIA RELEASE 21 January 2020

AustralianSuper Protecting Your Super update

AustralianSuper has introduced a Protecting Your Super levy to offset the impact of new Federal Government legislation that caps costs for account balances less than \$6,000.

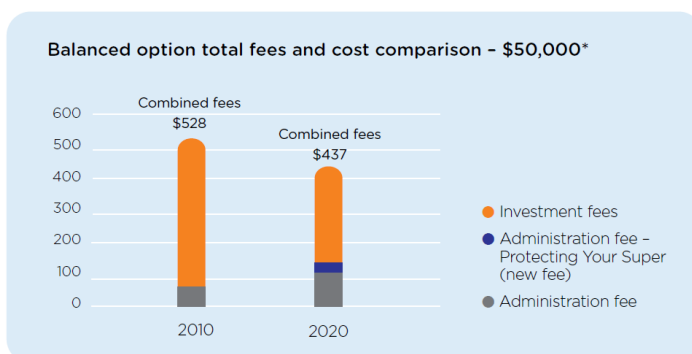
Even with the new fee, the combined administration and investment fees for the Balanced investment option (where most members are invested) are still lower than they were 10 years ago. The new levy will be used to address the shortfall created by the Government cap so that the Fund can continue to cover administration costs and provide products and services for all AustralianSuper members.

In 2010 combined fees on a \$50,000 balance were \$528 and in 2020 they will be \$437.

For balances of \$100,000 the comparison is \$978 in 2010 and \$757 in 2020. For balances of \$500,000 the comparison is \$4,578 in 2010 and \$3,317 in 2020.

AustralianSuper's fees remain in the bottom quartile for all MySuper funds based on a \$50,000 balance.

The lower overall fee is due to AustralianSuper's successful internalisation of investments which has seen the Fund save members \$525 million over the past six years.



AustralianSuper supports the Government's 3% cap as a means of ensuring that low balance accounts are not eroded by fees.

The new levy will be deducted from investment returns daily, before returns are added to account balances and is variable, up to a maximum of 0.04%.

The levy is variable because the cost of administering this legislative requirement may change from year to year. A member with an account balance of \$50,000, will be charged up to \$20 between 1 April 2020 and 30 June 2020, and up to \$20 per year from 1 July 2020 onwards. The new levy does not apply to Choice Income or Transition to Retirement Income accounts.

*Insurance and other fees and costs may also apply. ^ Fees for '2020' include the current Administration Fee of \$2.25 per week, the Administration Fee - Protecting Your Super of 0.04% pa, and the investment fee of 0.60% for the AustralianSuper Balanced option (based on the most recent available investment fee for the 2018/19 financial year). Fees for '2010' include the historical Administration Fee of \$1.50 per week, Management Expense Ratio ('MER') of 0.84% pa plus Member Protection Fee of 0.06% pa for the AustralianSuper Balanced option, which applied at that time. How super funds measure investment costs changed from 'MER' to 'Investment Fee' in September 2017. Measures of the 'Investment Fee' are not available prior to this time.

About AustralianSuper

AustralianSuper manages more than \$180 billion of members' retirement savings on behalf of more than 2.1 million members from around 300,000 businesses. One in 10 working Australians are a member of AustralianSuper, the nation's largest superannuation fund.

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