

Fees and costs – additional information

The information in this document forms part of the:

Product Disclosure Statements dated 27 October 2018:

- › AustralianSuper
- › AustralianSuper Select
- › GHD Superannuation Plan
- › Personal Plan
- › Public Sector Division
- › Super Options
- › Super Only

Fees to manage your account

The main fees to set up and manage your account are shown below. These are based on the Balanced option.

Type of fee	Amount	How and when paid
Investment fee	0.66%	Deducted from before-tax investment returns on 30 June (earlier if you close your account), before the returns are applied to your account.
Administration fee	\$1.50	The administration fee of \$1.50 per week is calculated weekly and processed monthly from your account. This fee is paid into the Fund's administration reserve. The Fund pays its administration costs from the administration reserve. For the 12 months to 30 June 2018, the Fund's estimated costs were \$1.72 per member (gross of tax). The Fund claims a tax deduction for administration costs each year. The amount of the deduction is also paid into the administration reserve.
Buy sell spread	Nil	
Switching fee	Nil	
Exit fee	\$35	Charged on withdrawals.
Advice fees* relating to all members investing in a MySuper product or investment option	\$0- \$295	This is the cost for over-the-phone advice. For face-to-face advice, a higher fee applies which can be deducted directly from your account.
Indirect cost ratio	Nil	
Other fees and costs	Nil	Refer to 'Other fees and costs' on page 6 for more information on insurance fees, family law fees and contribution splitting fees.

The Investment fee is calculated looking back as at 30 June each year. It may change from year to year. The Investment fee for our other options is different. See the table on page 2 to learn what they are.

* The financial advice you receive will be provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd (AustralianSuper) and therefore isn't the responsibility of AustralianSuper. With your approval a fee may be charged if a Statement of Advice is provided.

Additional explanation of fees and costs

About our Investment fee

AustralianSuper's Investment fee is comprised of three components:

1. Investment management fees
2. Performance related fees
3. Transactional and operational costs

You can find the definitions of each component on page 4.

The table below shows how our overall Investment fee is broken down for each investment option. These are the Investment fees for each option for the 2017/18 year. Investment fees are calculated looking back as at 30 June each year and may change from year to year.

Name of investment options	1	2	3	Total
	Investment management fee	Performance related fee	Transactional and operational costs	
High Growth	0.51%	0.07%	0.09%	0.67%
Balanced	0.51%	0.07%	0.08%	0.66%
Socially Aware	0.54%	0.08%	0.12%	0.74%
Indexed Diversified	0.12%	0.00%	0.04%	0.16%
Conservative Balanced	0.41%	0.04%	0.07%	0.52%
Stable	0.34%	0.01%	0.06%	0.41%
Australian Shares	0.27%	0.00%	0.07%	0.34%
International Shares	0.49%	-0.02%	0.09%	0.56%
Property	0.63%	0.00%	0.22%	0.85%
Diversified Fixed Interest	0.40%	0.01%	0.06%	0.47%
Cash	0.05%	0.00%	0.00%	0.05%

Additional costs that aren't included in the Investment fee

Some of our Transactional and operational costs are included in the calculation of our overall Investment fee, but there are other Transactional and operational costs which aren't included.

The costs we don't include are costs we can't specifically identify. These are built into (or 'implicit' in) the trading prices of assets and therefore can only be estimated. These costs are known as Implicit transactional and operational costs. You can find the definition of Implicit transactional and operational costs, plus some examples of these, on page 4.

The table on this page shows the figures for both the included Transactional and operational costs and estimates of the implicit items, so you can see an indicative total figure for all Transactional and operational costs.

Name of investment option	Transactional and operational costs* (included in Investment fee)	Implicit Transactional and operational costs (not included in Investment fee)	Total Transactional and operational costs
High Growth	0.09%	0.06%	0.15%
Balanced	0.08%	0.06%	0.14%
Socially Aware	0.12%	0.07%	0.19%
Indexed Diversified	0.04%	0.02%	0.06%
Conservative Balanced	0.07%	0.04%	0.11%
Stable	0.06%	0.03%	0.09%
Australian Shares	0.07%	0.06%	0.13%
International Shares	0.09%	0.09%	0.18%
Property	0.22%	0.00%	0.22%
Diversified Fixed Interest	0.06%	0.04%	0.10%
Cash	0.00%	0.00%	0.00%

* The figures in this column are the same figures shown in Column 3 in the table on page 2.

Other costs we don't include in the Investment fee are Borrowing costs and Property operating costs. These are shown below. You can find the definition of these costs on page 4.

Borrowing costs: High Growth 0.04% | Balanced 0.06% | Socially Aware 0.06% | Indexed Diversified 0.00% | Conservative Balanced 0.05% | Stable 0.05% | Australian Shares 0.00% | International Shares 0.00% | Property 0.60% | Diversified Fixed Interest 0.00% | Cash 0.00%

Property operating costs: High Growth 0.03% | Balanced 0.04% | Socially Aware 0.04% | Indexed Diversified 0.00% | Conservative Balanced 0.03% | Stable 0.04% | Australian Shares 0.00% | International Shares 0.00% | Property 0.65% | Diversified Fixed Interest 0.00% | Cash 0.00%

Definitions of fees and costs

Definitions of the most common fees are included here. For more information, refer to our dictionary at australiansuper.com/dictionary

Activity fees

This is a fee you'll incur directly for an additional requested service, such as a request to split your super contributions with your spouse.

Administration fee

This fee is charged to cover administration costs. This fee is paid into the Fund's administration reserve and the Fund pays its administration costs from that reserve.

AustralianSuper claims a tax deduction for administration costs each year. The amount of the deduction is also paid into the reserve.

Advice fee

This is the fee you incur directly for receiving advice about your investment in AustralianSuper. This can include:

- › initial advice on setting up your account
- › once-off advice relating to your investment options, insurance cover, contributions to super and retirement income options, and
- › advice and/or monitoring in relation to your Member Direct account.

An advice fee for other advice is deducted on receipt of a *Paying an adviser service fee* form. There is no limit to the frequency with which once-off advice fees can be deducted. However, for each new request you must submit a *Paying an adviser service fee* form. If you request the advice fee to be deducted from your Member Direct transaction account, you will have the option to select the fee be paid annually, quarterly or monthly for a one year period. Each year, a new *Paying an adviser service fee* form is required to be submitted for fee payments to continue to your adviser.

The adviser service fee can only be deducted from your account for services provided by a financial adviser who's registered and accredited with AustralianSuper, who has been provided with training on AustralianSuper products by the Fund.

The cost of advice on non-super matters can't be deducted from your account.

To make an appointment with a financial adviser, call us on **1300 300 273**.

Borrowing costs

AustralianSuper doesn't borrow money but we do invest in entities that borrow money. We invest in these entities because they are conduits that allow us to access certain investments.

Borrowing costs are costs incurred on loans taken out by these entities, such as loan establishment fees and interest paid to lenders.

Buy sell spread fee

This is a fee a super fund can charge to recover any transaction costs we incur in relation to the sale and purchase of assets such as shares. AustralianSuper doesn't charge any Buy sell spread fees.

Exit fee

We charge this fee when you make a full or partial withdrawal of your super.

Implicit transactional and operational costs

These are costs that are incorporated within the purchase and sale price of assets and therefore can't be specifically identified - they can only be estimated. Examples include the estimated margin charged when trading bonds through a broker and the impact that our own trading may have on the market price of an asset traded.

Indirect Cost Ratio

This is another way of calculating the cost of managing your investments.

AustralianSuper doesn't calculate an Indirect cost ratio. Instead, the costs relating to managing your investments are included in our overall Investment fee.

Insurance cost

The fee charged for insurance cover. The amount varies depending on your level and type of cover.

Investment fee

This overall fee is charged to cover the cost to us of managing your investments. These costs include external investment management fees, performance related fees, plus transactional and operational costs.

This fee includes expenses incurred by AustralianSuper, as well as amounts deducted indirectly via underlying fund investments.

Each of the individual fees and costs that make up the overall Investment fee are calculated looking back as at 30 June each year (using the average value of all the assets in the investment option over the year to 30 June). These individual fees and costs may change from year to year.

Investment management fees

These represent the amounts deducted from your investment that relate to core investment management functions.

Examples are our internal investment management costs and investment management fees paid to third parties (excluding Performance related fees).

These also include custody costs, audit and administrative costs of your investments - including those incurred through underlying funds.

Performance related fees

These are fees we pay to third parties for generating positive returns, such as outperformance above a disclosed benchmark. Generally performance related fees are calculated as a percentage of the returns generated.

Property operating costs

These are costs AustralianSuper incurs in relation to the operational activities of our real estate investments. Examples of these are the property owner's share of maintenance costs and management costs of shopping centres and office buildings. Property operating costs don't relate to the acquisition or disposal of property.

Switching fee

This is a fee a super fund can charge when a member changes investment options. AustralianSuper doesn't charge any Switching fees.

Transactional and operational costs

These comprise a broad category of costs we incur that relate to buying or selling underlying investments. Examples of these include brokerage and commission.

AustralianSuper's Member Direct investment option

The fees and costs that apply to Member Direct vary depending on which option you select. Fees and costs outlined below are current as at the date of publication, but may change in the future.

To check current fees, please go to australiansuper.com/MemberDirect

	Cash account option	Term Deposits option	Shares & ETFs option
What asset types can you invest in using the option?	Cash account	Includes the cash account plus term deposits	Includes the first two options plus the ability to buy and sell shares and ETFs
Cash account fee*	0.12% pa of the balance in the cash account		
Portfolio administration fee (PAF)**†	Nil	\$150 pa	\$395 pa

Additional fees and costs that may apply	Cash account option	Term Deposits option	Shares & ETFs option
Term deposit costs	Nil	If you redeem your term deposit(s) prior to their maturity date penalties will apply. Refer to table on Term Deposit costs	
Brokerage costs	Nil	Nil	If you choose to trade in shares and ETFs brokerage fees will apply. Refer to table on Brokerage costs
Other fees	You will also pay an AustralianSuper administration fee and investment fees for investment options that are managed by AustralianSuper for you (e.g. PreMixed or DIY Mix options). Refer to page 2 for investment fees for other investment options. Refer to page 6 for more information on insurance fees, family law fees and contribution splitting fees.		

* All fees are GST inclusive. They are calculated daily and automatically deducted from your cash account on the first business day of each month.

† The PAF is determined by the option you select and not by the type of assets you hold. If you no longer hold the core asset type of the option, e.g. you're in the Term Deposits option and don't hold Term Deposits or you're in the Shares & ETFs option and don't hold Shares/ETFs, you can reduce the PAF you pay by moving to a lower fee option. To do this you must change your option online.

Term Deposit costs

If term deposits are redeemed prior to their maturity date, our effective rate of interest will be reduced in accordance with the following discount factors. Principal reductions and other costs may also apply.

ME Bank Term Deposits		NAB Term Deposits	
Time invested (% of total term)	Interest rate reduces	Time invested (% of total term)	Interest rate reduces
0 to <20	90%	0 to 50	50%
20 to <40	80%	>50	20%
40 to <60	60%	-	-
60 to <80	40%	-	-
80 to <100	20%	-	-

Brokerage costs

When trading Shares and ETFs, different brokerage rates will be applied starting with a flat fee for the first \$5,000 of each trade. Scaled cumulative brokerage rates apply to amounts above this based on the table below.

Transaction amount ex GST	Brokerage Fee ex GST
\$0 to \$5,000	\$15.00
\$5,001 to \$10,000	0.30%
\$10,001 to \$30,000	0.20%
\$30,001 to \$50,000	0.16%
\$50,001 +	0.12%

Fees for ETFs

Fees incurred by the ETF, including management fees, custody costs and other expenses may be deducted from the returns of the underlying securities in the ETF. For details please visit the website of the ETF issuer.

For a list of available ETFs visit australiansuper.com/MemberDirect

Seek professional advice

Investments purchased through the Member Direct investment option form part of a self-directed investment strategy. Member Direct isn't for everyone. We strongly encourage you to seek advice from a financial adviser before choosing the Member Direct investment option and formulating your investment strategy.

For more information on your advice options with AustralianSuper call **1300 300 273** between 8am to 8pm (AEST/AEDT) weekdays or visit australiansuper.com/advice

The financial advice you receive will be provided under the Australian Financial Services Licence of third parties and not by AustralianSuper Pty Ltd (AustralianSuper) and therefore is not the responsibility of AustralianSuper.

Other fees and costs

Type of fee or cost	Amount	How and when paid
Insurance cost* : This is calculated weekly and deducted monthly in arrears.	Varies depending on your type and level of cover.	Charged to your account if you have insurance cover as part of your super.
Family Law Act information request : This is charged when an eligible person asks for information under the Family Law Act.	\$50	Charged to the person asking for the information.
Family Law Act splitting account fee : This is charged to put a family law splitting order or agreement in place.	\$70 (shared equally between the two parties)	Charged to your account when the split happens.
Family Law Act payment flagging agreement : This is charged when a payment flagging agreement to defer the splitting of a super interest is put in place.	Nil	n/a
Contribution splitting fee : This is charged to split your contributions with your spouse.	\$70	Charged to your account when the split happens.

* Refer to Section 8 of the Product Disclosure Statement for more information on insurance in your super.

AustralianSuper can change the fees which you may be charged. You'll be given at least 30 days notice before any increase in fees takes effect.

Understanding how tax deductions affect fees

- › **Insurance costs**: claimed as a deduction against members' contributions before contributions tax is calculated and charged individually to members.
- › **Investment-related costs** (such as manager fees, brokerage, custodian and asset consultant fees): claimed as a deduction against taxable investment income before net returns are added to members.
- › **Account administration fees** (including exit fees and family law fees): not allowed as a deduction in members' individual accounts.

Refer to Section 7 of the Product Disclosure Statement for more information on how super is taxed.

Contact us

Call **1300 300 273**
(8am to 8pm AEST/AEDT weekdays)

Web **australiansuper.com**
Mail GPO Box 1901, Melbourne VIC 3001

Email **australiansuper.com/email**



This document was issued in October 2018 by AustralianSuper. This document is of a general nature and does not take into account your personal objectives, situation or needs. Before making a decision about AustralianSuper, consider your financial requirements and read our Product Disclosure Statement, available at australiansuper.com/pds or by calling **1300 300 273**.

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