

Fees and costs – additional information

The information in this document forms part of the:

Product Disclosure Statements dated 1 June 2019:

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

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. From 1 July 2019, entry and exit fees cannot be charged.

Taxes, insurance fees and other costs relating to insurance are set out at the end of this document.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

The fees and other costs for each investment option offered by AustralianSuper are set out on the following pages.

Fees to manage your account

The main fees to set up and manage your account are shown below, 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*	\$2.25	The administration fee of \$2.25 per week is calculated weekly and deducted monthly from your account. The fund pays its administration costs from the administration reserve. The Fund's estimated costs are \$2.65 per member per week gross of tax. The Fund claims a tax deduction for the administration costs each year. The amount of the deduction is also paid into the administration reserve.
Buy sell spread	Nil	
Switching fee	Nil	
Advice fees [†] relating to all members investing in a particular 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.
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.
Indirect cost ratios*	Nil	

The Investment fee is calculated looking back as at 30 June each year. It is likely to 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.

* From 1 July 2019, if your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

† 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 are likely to change from year to year.

	1	2	3	Total
	Investment management fee	Performance related fee	Transactional and operational costs	
PreMixed options				
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%
DIY Mix options				
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%

Member Direct fees and costs

Find out more about the fees and costs for Member Direct on page 5.

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.

	Transactional and operational costs* (included in Investment fee)	Implicit Transactional and operational costs (not included in Investment fee)	Total Transactional and operational costs
PreMixed options			
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%	0.05%	0.12%
Stable	0.06%	0.05%	0.11%
DIY Mix options			
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%	0.08%	0.14%
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

A fee is an activity fee if:

- a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
 - i. that is engaged in at the request, or with the consent, of a member; or
 - ii. that relates to a member and is required by law; and
- b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

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

An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:

- a) borrowing costs; and
- b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
- c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

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

A fee is an advice fee if:

- a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
 - i. a trustee of the entity; or
 - ii. another person acting as an employee of, or under an arrangement with, the trustee of the entity; and
- b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

Examples where the cost of advice can be incurred by the super fund, includes simple, one-off advice relating to your:

- > investment options within AustralianSuper,
- > insurance cover within AustralianSuper, and
- > contributions to an AustralianSuper account.

An advice fee for other types of advice which is typically more complex in nature, may be paid from your account for services provided by a financial adviser who's registered with AustralianSuper. However the cost of that advice must relate to your AustralianSuper account(s).

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

AustralianSuper doesn't charge any buy-sell spread fees.

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.

Exit fee

AustralianSuper doesn't charge any exit fees. An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.

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

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

The indirect cost ratio (ICR), for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

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

Investment fee

An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:

- a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- b) costs that relate to the investment of assets of the entity, other than:
 - i. borrowing costs; and
 - ii. indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
 - iii. costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Note: Investment fees do not include implicit transactional and operational costs, borrowing costs or property operating costs.

This fee includes expenses incurred by AustralianSuper, as well as amounts incurred indirectly via underlying fund investments. The Investment fee consists of investment management fees, performance related fees, plus transactional and operational costs.

Each of the individual items that make up the overall Investment fee are calculated looking back as at 30 June each year, and are expressed as a ratio to the average value of all the assets in the investment option over the year. The Investment fee is likely to change from year to year.

The investment fee is not deducted directly from your account. Rather, the amount reduces the net returns of each investment option, before returns are credited to your account.

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

AustralianSuper doesn't charge any switching fees.

A switching fee for a MySuper product is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one class of beneficial interest in the entity to another.

A switching fee for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

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 & LICs* 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 invest in ASX 300 shares, ETFs and LICs
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 & LICs* 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, ETFs and LICs 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.		

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, ETFs and LICs*, 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%

Brokerage fees are subject of Goods & Services Tax (GST) at the rate of 10%. A refund for the Reduced Input Tax credit RITC (typically 75% of the GST paid) will be credited to your account at the time of settlement e.g. brokerage fees of \$15.00 are subject of GST of \$1.50. Your account will be credited 75% of the GST paid i.e. \$1.13

Fees for ETFs and LICs*

Additional fees and costs incurred by the ETF or LIC, including management fees, custody costs and other expenses may be deducted from the returns of the underlying securities in the ETF or LIC. For details please visit the website of the ETF or LIC issuer. Visit australiansuper.com/MemberDirect for a copy of the *Member Direct investment option - investment menu*, which provides a full list of the available ETFs and LICs offered.

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.

* LICs will be offered from 1 July 2019.

† 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 in Member Direct, 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/LICs, you can reduce the PAF you pay by moving to a lower fee option. To do this you must change your option online.

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**

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