

# Australian Enterprise Super

## Fees and Costs Incorporated Information

14 November 2011

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The information in this document forms part of the Australian Enterprise Super Product Disclosure Statement dated 14 November 2011.

### Contents

1. Fees and costs table
2. Additional explanation of fees and costs

This document shows fees and other costs that you may be charged in relation to all of the available investment options. These fees and costs may be deducted directly from your super, from the investment returns or from Australian Enterprise Super's assets as a whole.

Please refer to the Australian Enterprise Super Taxation Incorporated Information for information on how your super is taxed and refer to the Australian Enterprise Super Insurance Incorporated Information for costs of insurance.

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

## 1. Fees and costs table

The fees and costs are the same for all investment options, except for the investment related management costs which vary depending on an investment option's underlying investment costs.

| Type of fee or cost   | Amount   | How and when paid   |
|---|--|---|
| <b>Fees when your money moves in or out of the Fund</b>   |  |   |
| Establishment fee: The fee to open your investment.   | Nil  | Not applicable.   |
| Contribution fee: The fee on each amount contributed to your investment – either by you or your employer. | Nil  | Not applicable.   |
| Withdrawal fee: The fee on each amount you take out of your investment.                                   | \$30   | This fee is deducted from your account when your withdrawal is processed or your account is closed.   |
| Termination fee: The fee to close your investment.  | Nil  | Not applicable.   |
| <b>Management costs</b>   |  |   |
| The fees and costs for managing your investment.  | \$1.55 per week<br><b>Administration fee</b><br><b>PLUS</b><br><b>Expense recovery fee</b> of up to 0.25% p.a. of assets<br><b>PLUS</b>  | This fee is calculated weekly and deducted from your account monthly or on the date of withdrawal (on a pro-rata basis).<br><br>This fee is discretionary and may be applied and deducted from final crediting rates applied to member accounts at the end of the year. |
| The amount you pay for specific investment options. <sup>1</sup>  | <b>Pre-mixed options</b><br>Aggressive 0.41% p.a. <sup>1</sup><br>Growth 0.38% p.a. <sup>1</sup><br>Moderate 0.32% p.a. <sup>1</sup><br>Stable 0.26% p.a. <sup>1</sup><br><b>Asset class options</b><br>Australian Shares 0.39% p.a. <sup>1</sup><br>Overseas Shares 0.39% p.a.<br>Property 0.59% p.a. <sup>1</sup><br>Bonds 0.23% p.a.<br>Cash 0.07% p.a. | This fee is taken into account in the declaration of crediting rates (interim and final) applied to member accounts.  |

| Service fees   |     |                 |
|--|-----|-----------------|
| Investment switching fee: The fee for changing investment options. | Nil | Not applicable. |

<sup>1</sup> Estimates only, including estimated performance fees, based on recent experience of the product and subject to variation from year-to-year. Performance fees may be payable if underlying investment managers in the investment options (other than the Overseas Shares, Bonds, or Cash options) exceed specified performance targets. Refer to '2. Additional explanation of fees and costs' below.

## 2. Additional explanation of fees and costs

### Management costs

The management costs include an administration fee which is deducted directly from member accounts, investment related fees and expense recovery fees that may be deducted from investment earnings. Investment related fees may include performance fees.

The **administration fee** covers the general administration and management of the product, the operations of the Trustee office, communications and marketing (including access to Member Services Consultants) and fees for custodian and asset consulting services provided to the Trustee.

The **expense recovery fee** provides for the Trustee to recover from members' accounts any expenses incurred when running Australian Enterprise Super, which are not covered in any other fee or charge to members' accounts. It is a discretionary fee which is determined at the end of each financial year and does not apply to members who leave during the year before final crediting rates are applied. Any expense recovery fee is allocated to PASF reserves relating to Australian Enterprise Super to assist with the cost of Member Benefit Protection, smooth out investment earnings and the overall management and operation of Australian Enterprise Super or any other purposes permitted under the Trustee's reserving policy. Refer to the Australian Enterprise Super Contributions, Features and Benefits Incorporated Information for more information about reserves.

The **investment related fees** vary and depend on which investment option(s) you are invested in. These are estimated fees based on the current investment structure and current fees charged by underlying investment managers and will vary depending on the composition of the underlying investment portfolio. They are deducted from investment earnings before investment returns are determined and allocated to members' accounts. The investment related fees are currently made up of investment manager fees. Some of the investment managers utilised in the investment options charge performance based fees.

While estimated performance fees (based on recent experience) have been included in the management costs for each of the investment options, they may vary from year-to-year depending on actual performance. The performance based fees charged by the investment managers are outlined in the table on the next page.

| Investment Manager                | Performance based fees  | Fee estimate range |
|-----------------------------------|---|--------------------|
| Cooper Investors AE Fund          | 10% of performance in excess of benchmark   | Nil to 0.60% p.a.  |
| AMP Capital Shopping Centre Fund  | 15% of the outperformance of the fund if the 3-year rolling equity internal rate of return of the fund exceeds the 3-year rolling average of the Australian 10 year Commonwealth Treasury Bond yield plus 3.5% p.a., adjusted to assume performance fees have been paid. Total fees capped at 1% p.a. (exc. GST)  | Nil to 0.90% p.a.  |
| AMP Capital Wholesale Office Fund | 15% of the outperformance of the fund if the 3-year rolling equity internal rate of return of the fund exceeds the 3-year rolling average of the Australian 10 year Commonwealth Treasury Bond yield plus 3.5% p.a., adjusted to assume performance fees have been paid. Total fees capped at 1% p.a. (exc. GST).   | Nil to 0.90% p.a.  |
| Charter Hall CPOF                 | Up to 15% of performance between 11% and 13% p.a. and 20% of performance in excess of 13% p.a. (calculated over 3 years).   | Nil to 0.66% p.a.  |
| K2 Advisors                       | 15% of outperformance over Bank Bill Rate + 1.0% p.a.   | Nil to 1.44% p.a.  |
| Macquarie RMBS                    | 15% of outperformance over Bank Bill Rate + 0.15% p.a.  | Nil to 0.62% p.a.  |
| Hastings UTA                      | 10% of any outperformance (realised gain) above the benchmark (benchmark: 10 year Commonwealth Bond yield +4%). Outperformance is determined only on the sale of any underlying asset where the sale proceeds exceed the aggregate of a benchmark return plus 4% in respect of the underlying asset after taking into account any aggregated realised underperformance. | Nil to 1.51% p.a.  |

Performance based fees are only charged by investment managers when performance hurdles are exceeded. The impact of performance based fees on the management costs applicable to an investment option depends on the amount invested with, and returns achieved by, the investment manager from year-to-year. In the same way that past investment returns are not a reliable indicator of future returns, past performance fees are not a reliable indicator of future performance fees. Performance fee calculations can be very complex. If you would like more information about how performance fees work, please contact us.

## Member Benefit Protection

In accordance with superannuation legislation, if your total account balance is less than \$1,000, we will ensure that administration fees deducted directly from your account do not exceed your investment earnings. This is done by crediting your account with a rebate (called the Member Benefit Protection rebate). This rebate is applied on 30 June each year (or when the account closes) to eligible member accounts.

This is designed to protect small account balances from fee erosion. Please note, this protection does not apply to any insurance premiums or taxes deducted directly from your account or indirect fees and costs taken into account when calculating net returns to be allocated to members' accounts.

During times of low investment earnings, administration fees of up to \$10 may be charged in relation to administering your account.

The cost of any rebate may be passed on to all members by being deducted from Fund assets or investment earnings before final crediting rates are declared.

## Taxes and insurance premiums

We can claim a tax deduction for administration expenses and insurance premiums. Any tax deductions are applied for the benefit of members by being taken into account in the calculation of investment returns.

Fees and charges shown in this document are inclusive of GST and any Reduced Input Tax Credit (RITC), where applicable.

The insurance premiums you pay depend on the amount of insurance cover you have and your age.

Further information on taxes is set out in the Australian Enterprise Super Taxation Incorporated Information and the insurance costs are set out in your Australian Enterprise Super Insurance Incorporated Information.

## Fee changes

The Trustee can change the amount of fees without your consent. You will be given at least 30 days' notice of any material increase in fees (other than investment management fees). Estimated investment related fees may vary from year-to-year depending on the experience of the investment options and underlying investment managers.

The fees charged may depend on your category of membership in PASF. If you change categories, you will be advised of any changes to the fees and costs that apply to you.

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