

# FEES AND OTHER COSTS



## Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

## To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a calculator to help you check out different fee options.



This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your account, 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 (premiums), may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. Entry fees and exit fees cannot be charged. Taxes are set out in the Taxation Fact Sheet and insurance fees (premiums) are set out in the Product Disclosure Statement and Insurance Guide. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Note that Australian Food Super does not negotiate fees with members.



## Fees and other costs - continued

The information below can be used to compare costs between different superannuation products.

### Fees and costs summary

#### Australian Food Super

Type of fee or costs	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<b>Administration fees and costs</b>	\$1.70 per week plus 0.07% p.a.	Deducted from member accounts at the last Friday of each month.
<b>Investment fees and costs<sup>2,3</sup></b>	0.00% p.a. – 1.01% p.a.	Paid from the fund or incurred in underlying investments. Included in the crediting rates for each option.
<b>Transaction costs<sup>3</sup></b>	0.00% p.a. – 0.06% p.a.	Incurred in underlying investments. Included in the crediting rates for each option.
<b>Member activity related fees and costs</b>		
<b>Buy-sell spread</b>	Nil	Nil
<b>Switching fee</b>	Nil	Nil
<b>Other fees and costs</b>	Refer to the <i>Additional explanation of fees and costs</i> in this Fact Sheet.	

1. 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, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.
2. Investment fees and costs include an amount of between 0.00% p.a. - 0.35% p.a. for performance fees. The calculation basis for this amount and the performance fees that apply for each option are set out under *Additional explanation of fees and costs*.
3. Investment fees and costs and transaction costs are estimates only. Refer to the *Additional explanation of fees and costs* in the Fees and Other Costs Fact Sheet for information on how these fees and costs are calculated.

### Example of annual fees and costs for a superannuation product

This table gives an example of how the ongoing annual fees and costs for the MySuper option can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

Example - MySuper		BALANCE OF \$50,000
<b>Administration fees and costs</b>	\$88.40 (\$1.70 per week) plus 0.07% p.a. of your account balance.	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment <b>\$35</b> in administration fees and costs, plus <b>\$88.40</b> regardless of your balance
<b>PLUS</b> Investment fees and costs	0.46% p.a. of your account balance	<b>And</b> , you will be charged or have deducted from your investment <b>\$230</b> in investment fees and costs
<b>PLUS</b> Transaction costs	0.02% p.a. of your account balance	<b>And</b> , you will be charged or have deducted from your investment <b>\$10</b> in transaction costs
<b>EQUALS</b> Cost of product		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of <b>\$363.40</b> for the superannuation product.

Note: Additional fees may apply. If you have insurance, insurance fees (premiums) will apply.



# Fees and other costs - continued

## Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a 1-year period for all superannuation products and investment options. It is calculated in the manner shown in the Example of annual fees and costs – it includes administration fees and costs, investment fees and costs and transaction costs.

The cost of product information assumes a balance of \$50,000 at the beginning of the year.

You should use these figures to help compare superannuation products and investment options.

Refer to the Fees and costs summary and the *Additional explanation of fees and costs* for:

- › additional fees that may apply, and
- › details of the investment fees and costs (including performance fees) and transaction costs that apply to each option.

Investment option	Cost of product
Secure	\$123.40
Capital Stable	\$338.40
MySuper	\$363.40
Balanced	\$363.40
Growth	\$328.40
Shares	\$168.40
Property	\$408.40
Alternatives	\$638.40

Note: Additional fees may apply. If you have insurance, insurance fees (premiums) will apply.

## Additional explanation of fees and costs

### Investment fees and costs

The investment fees and costs shown in this Fact Sheet are estimates only, made up of fees charged to Australian Food Super by investment managers for investing the assets of the Fund, and costs incurred within the Fund's investments.

The portion of the investment fees and costs that relates to fees charged by investment managers is our best estimate of ongoing fees, based on recent experience and expectations for the future.<sup>1</sup>

The portion of the investment fees and costs that relates to costs is calculated based on costs (excluding transaction costs) incurred during the previous financial year.<sup>1</sup> These costs reflect expenses incurred in managing your investments, which reduce the return on those investments.

Investment fees and costs are not deducted directly from your account, however they do reduce the return on your investment and so are an additional cost to you.

Australian Food Super does not make a profit from investment fees and costs. While they may vary from year to year, the investment fees and costs that apply to your account will not be more than the investment fees and costs incurred for each option you are invested in.

### Performance fees

The investment fees and costs include performance fees, which reflect amounts paid or payable in reference to investment performance.

Performance fees apply in relation to some of Australian Food Super's underlying investments, where these investments achieve returns that exceed certain predetermined targets. Generally speaking, where a performance fee applies, fees will be higher when returns compare favorably against the investment's benchmark, and lower when they perform less well.

Where applicable, performance fees have been calculated based on the average of performance fee amounts over the last five financial years.

As noted above, performance fees are included in the investment fees and costs, but they are also disclosed separately on the following page.

### Transaction costs

Transaction costs are disclosed separately from investment fees and costs. They include amounts incurred for brokerage, buy-sell spreads, settlement costs (including custody costs), clearing costs and stamp duty, incurred within underlying investments. The transaction costs disclosed below are estimates only, calculated based on costs incurred in the previous financial year. Transaction costs are not deducted directly from your account, however they do reduce the return on your investment and so are an additional cost to you.

### Administration fees and costs

Administration fees and costs are fees and costs that relate to the administration and operation of Australian Food Super. Australian Food Super's administration fees and costs consist of a flat fee and a percentage-based fee that are deducted from member accounts on a monthly basis.

<sup>1</sup> With the exception of performance fees, which are included in the investment fees and costs but are calculated differently.



## Fees and other costs - continued

### Investment fees and costs and transaction costs

Investment option	Investment fees and costs (p.a.)	Transaction costs (p.a.)
Secure	0.00%	0.00%
Capital Stable	0.40%	0.03%
MySuper	0.46%	0.02%
Balanced	0.46%	0.02%
Growth	0.39%	0.02%
Shares	0.09%	0.00%
Property	0.51%	0.06%
Alternatives	1.01%	0.02%

Investment fees and costs and transaction costs are estimates only, calculated based on costs incurred in the previous financial year.

### Performance fees

Investment option	Performance fees (p.a.)
Secure	0.00%
Capital Stable	0.03%
MySuper	0.06%
Balanced	0.06%
Growth	0.08%
Shares	0.01%
Property	0.00%
Alternatives	0.35%

Performance fees are included in the investment fees and costs shown in the table above.

### Costs met from reserves

Funds are required to disclose any costs that are debited from reserves that exceed amounts credited from reserves, for the previous financial year. No such costs applied for Australian Food Super for this period.

### Advice fees

Australian Food Super has engaged Link Advice to provide simple financial advice about members' Australian Food Super accounts over the phone. This advice is provided at no additional charge - the cost of this advice is covered by the administration fees and costs. If, however, you require more thorough personal financial advice, Link Advice will provide you with a fixed price quote and any fees are set by agreement between you and Link Advice and provided to you in a Statement of Advice.

Where Link Advice agrees to provide more detailed advice a member may elect to either pay that fee directly to Link Advice or alternatively (provided the advice relates only to superannuation) request that the Advice Fee is deducted from their Australian Food Super account. This is the only circumstance where a fee is deducted from a member's account for Advice.



**You can contact Link Advice via the Member Hotline on 1800 808 614.**



## Fees and other costs - continued

### Family Law fee

If you or your spouse request detail of your entitlements for Family Law Purposes, or your member balance is to be split between you and your spouse, additional fees apply. These fees are detailed below. This fee is an Activity Fee.

Type of fee	Amount	How and when paid
<b>The fees payable where information is requested, or a payment split is made under the Family Law Act 1975.</b>	Family Law payment split fee \$100.00 (\$50.00 payable by the Australian Food Super member and \$50.00 payable by their spouse).	Deducted from the payments at the time of the split.
	Family Law request to provide information (Family Law Form 6) from an Australian Food Super member – fee payable \$50.00 (no GST payable).	Deducted from the member's Australian Food Super account.
	Family Law request to provide information (Family Law Form 6) from a non-member spouse – fee payable \$55.00 (incl. GST).	Payable by a non-member spouse prior to the information being provided by Australian Food Super.

### Dishonour fee

If you make personal contributions to Australian Food Super via Automatic Bank Transfer, and your financial institution dishonours the transaction, any fees charged to Australian Food Super as a result of that dishonour would be deducted from your member account. You will be advised of this in writing. This fee is an Activity Fee.

### Changes to fees and costs

We reserve the right to change our fees in the future. Costs may change from time to time. If we increase any of the fees we deduct directly from member accounts, we will notify members 30 days in advance.

### Insurance fees

For details of insurance fees (premiums), refer to Section 8 of the Australian Food Super Product Disclosure Statement, and to the Insurance Guide.

### Tax

Please refer to the Australian Food Super Taxation Fact Sheet for details of the taxation applicable to superannuation. Please note that the taxation rates are subject to change by the Commonwealth Government. You can get more information from the ATO's website at [www.ato.gov.au](http://www.ato.gov.au)

The Fund claims a tax deduction for administration costs and insurance fees (premiums). The benefit of the deductions are paid into an administration reserves, which are used to meet operating costs, including the costs incurred in administering the Fund's insurance arrangements.

### Defined fees

#### *Administration fees and costs*

Administration fees and costs are fees and costs that relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that:

- › relate to the administration or operation of the entity; and
- › are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

#### *Investment fees and costs*

Investment fees and costs are fees and costs that relate 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 incurred by the trustee of the entity that:
  - relate to the investment of assets of the entity; and
  - are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

#### *Transaction costs*

Transaction costs are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads.

## Fees and other costs - continued



### *Advice fees*

A fee is an advice fee if:

- (a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of provision of financial product advice to a member by:
  - a trustee of the entity; or
  - 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 administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.

### *Buy-sell spreads*

A buy-sell spread is a fee to recover costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity. Australian Food Super does not charge a buy-sell spread.

### *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:
  - that is engaged in at the request, or with the consent, of a member; or
  - that relates to a member and is required by law; and
- (b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

### *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. Australian Food Super does not charge a switching fee.

### *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. Exit fees generally cannot be charged by super funds.



If you require a printed copy of this Fact Sheet please contact the **Member Hotline** on **1800 808 614**.



**Member Hotline**  
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This document is issued by Australian Meat Industry Superannuation Pty Ltd ABN 25 002 981 919, AFSL No. 238829, as Trustee for the Australian Meat Industry Superannuation Trust (the "Fund"), ABN 28 342 064 803 (Australian Food Super). The information in this document is general information only. It does not take into account your particular objectives, financial situation or needs. Before acting on information in this document you should consider the appropriateness of the information having regard to your particular objectives, financial situation and needs. You should obtain financial advice tailored to your personal circumstances.

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