



28 October 2008

IT'S UNANIMOUS - FIRST STATE SUPER IS LOWEST COST FUND IN AUSTRALIA

First State Super, which has been judged to be the lowest cost public offer superannuation fund in Australia by not one, but three superannuation ratings agency reports, is urging super fund members to ensure they are not paying too much in fees.

"Keeping fees and costs as low as possible, at the same time as providing good value to our members, is absolutely central to our philosophy as a super fund, and is an integral part of our commitment to our members," said Michael Dwyer, Chief Executive Officer of First State Super.

The latest Rainmaker Benchmarking report released recently reviewed 502 super funds across all categories and found that First State Super was the lowest cost public offer super fund, with average fees of 0.40%, compared to an overall weighted industry average of 1.36% based on a \$50,000 account balance.

This means First State Super members are paying about \$202 per year on a \$50,000 account balance instead of \$680 (1.36% overall weighted industry average).

This follows Chant West's Superannuation Industry Fee Comparison Report in May this year which found First State Super to be the lowest cost super fund in Australia. SuperRatings' website lists First State Super as the number one in their table of the Top 10 Lowest average fees based on a \$50,000 account balance.

"We are glad to have this finding from three major ratings agencies in addition to receiving their highest ratings for the Fund," said Michael Dwyer.

"All super fund members – including our own – should shop around to ensure they're getting the best deal. Fees and charges can make a significant difference to superannuation benefits over the medium to longer term."

While First State Super's size – it is the 9th largest super fund in Australia, with over 500,000 members and approximately \$15 billion in funds under management – gives it advantages of economies of scale where fees are concerned, the super fund employs a variety of strategies to minimise costs and enhance value to members.

"First State Super believes in working smarter to keep costs to members down. For example we utilise electronic funds transfers and email communication with members. These practices not only keep costs down but are more effective and efficient than traditional methods."

"At the same time we are able to offer a wide range of services and options for members that are not always available from low cost funds, including daily unit pricing for all investment strategies which we offer," said Michael Dwyer. "We offer members 10 investment strategies, including a Cash strategy for those members who are seeking less volatile returns. Our Cash strategy does not contain any growth assets. The Cash



FIRST STATE SUPER

FSS Trustee Corporation
ABN 11 118 202 672 AFSL 293340

strategy achieved a return of 6.2% for the year ended 30 June 2008 and has achieved a return of 1.5% for the financial year to 30 September 2008.”

As well as emerging as the lowest fee superannuation fund by a significant margin in the Rainmaker report, First State Super was also found to be the lowest cost public offer retirement fund and VALUE-choice fund under the Rainmaker Benchmarking criteria.

First State Super's Transition to Retirement Income Stream product and Retirement Income Stream product were both awarded Pension Product of the Year for 2007 by Rainmaker.

Further information:

Michael Dwyer, CEO , First State Super on 02 9238 2501 or 0418 160 702

Important note: This communication contains general information only and does not take into account your specific objectives, financial situation or needs. It is therefore important, before deciding whether to become a member of First State Super (or, if you are already a member, to continue your membership) that you consider the First State Super Product Disclosure Statement (PDS) having regard to your own situation. The PDS is available by visiting our website at www.firststatesuper.com.au or by calling us on 1300 650 873. The information contained in this document is current as at the date of release. Prepared by FSS Trustee Corporation ABN 11 118 202 672, AFSL 293340, the trustee of First State Superannuation Scheme ABN 53 226 460 365.