



Fees and other costs

The fees and other costs payable on your investment in First State Super are set out in the Member Booklet. This document includes some additional explanation of fees and costs.



The Product Disclosure Statements for employer-sponsored members (including members employed under Police Blue Ribbon and Ambulance Officers' Super arrangements) and personal members comprise a core **Member Booklet** (one for each of these membership categories) and a number of Member Booklet Supplements that are common to each of these membership categories. The Member Booklet Supplements provide additional information that supplements the information contained in the Member Booklets.

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 fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (ie. reduce it from \$100,000 to \$80,000).

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable.¹ Ask the Fund or your financial adviser.

To find out more

If you would like to find out more, or see how fees and costs affect your circumstances, the Australian Securities and Investments Commission (ASIC) provides a superannuation fee calculator to help you compare different fee options. Go to www.moneysmart.gov.au.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole. Taxes and insurance costs are set out in another part of the Member Booklet (Product Disclosure Statement). You should read all the information about fees and costs because it is important to understand their impact on your investment. Fees and costs for particular investment options are set out on page 2.

¹ To help you compare different superannuation products, superannuation trustees are required by law to include the above statement in a Product Disclosure Statement. However, First State Super does not charge contribution fees, and management costs cannot be negotiated.

Type of Fee or Cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee: The fee to open your investment.	Nil.	The Fund does not charge an establishment fee.
Contribution fee: The fee on each amount contributed to your investment – either by you or your employer.	Nil.	The Fund does not charge a contribution fee.
Withdrawal fee: The fee on each amount you take out of your investment.	\$36	Deducted from your account each time a benefit is withdrawn, for spouse contribution splits if your spouse's account is with another fund and for payments to the ATO.
Termination fee: The fee charged to close your investment.	Nil.	The Fund does not charge a termination fee.
Management Costs		
Administration: The fees and costs for managing your investment.	Administration fee \$52 per year (\$4.33 per month).	This fee is deducted from your account (in arrears) at the end of each month (including the months you start and leave).
The amount you pay for specific investment options are shown on page 2.	Investment management expense A percentage currently estimated to range, depending on the investment option selected, from 0.04% pa (\$20 per \$50,000) to 0.51% pa (255 per \$50,000).	The percentage amounts are estimates of investment management expenses which reflect the actual expenses incurred, including the fees paid to asset consultants, investment managers, the custodian and other costs directly related to managing the investments of the Fund. The investment management expenses are deducted from the assets of the option before the unit price for an investment option is determined.

Type of Fee or Cost	Amount	How and when paid
Service Fees*		
Investment switching fee: The fee for changing investment options.	Future contributions: Nil. Current account balance: No charge for the first switch in a financial year but \$25 per subsequent switch.	Deducted from your superannuation account at the time of the switch.

* Family law fees, no TFN tax recovery fees and advisor fees may also apply. See the section *Additional explanation of fees and costs* below.

Additional explanation of fees and costs

No adviser commission

First State Super does not pay any commission to advisers.

If you receive advice from FSS Financial Planning relating to your First State Super account, a fee for this advice can be deducted from your First State Super account when the advice is received, unless you choose to pay for the advice directly. For more information about Financial Planning, see *Learn more about your super* in the Member Booklet.

Service	What you get	Pricing Guide
Specific phone advice about your First State Super account	Specific, single issue advice regarding contributions (salary sacrifice and after-tax), insurance gap analysis, superannuation fund consolidation or First State Super investment options.	\$75 per Statement of Advice issued (including GST)
Specific phone advice about your First State Super account – transition to retirement	Specific tailored advice as above plus specific phone advice about transition to retirement strategies and products.	\$400 per Statement of Advice issued (including GST)

You can also receive comprehensive advice from FSS Financial Planning about your broader financial circumstances in addition to specific advice about your First State Super account. The cost of this advice varies depending on the complexity of your financial affairs. You can have the portion of this fee that relates to your First State Super account deducted from your account eg. if you receive advice and the fee is \$2,000 and 30% of this advice relates to your First State Super account, you can choose to have \$600 deducted from your account in part payment of the full fee. This example is illustrative only based on the factors stated and should not be taken to contain or provide an estimate of the financial advice fee payable or the amount that can be deducted.

Investment management costs

The amount you pay for a specific investment option reflects the actual investment management expenses incurred and cannot be precisely calculated in advance. These expenses are taken into account when the value of the investment option is reviewed and the unit price determined. The amounts estimated will change from year to year and you can contact us or go to our website for the most recent figures. As a guide, the table below shows estimates of these fees (and corresponding dollar amounts) based on the fees (including performance-based fees) paid in the 12 months prior to 30 June 2011. The Trustee charges a fee of 0.03% in respect of each of the pre-mixed investment options (ie. the High Growth, Diversified, Balanced and Capital Guarded investment options) to recover its costs in managing those investments. The estimates of investment management costs for the pre-mixed options in the table below are inclusive of this charge.

Investment option	Estimated percentage pa	Expressed as \$ per \$50,000
High Growth	0.29%	\$145
Diversified	0.24%	\$120
Balanced	0.19%	\$95
Capital Guarded	0.15%	\$75
Australian Equities	0.25%	\$125
Australian Socially Responsible Equities	0.51%	\$255
International Equities	0.24%	\$120
Property	0.39%	\$195
Australian Fixed Interest	0.04%	\$20
International Fixed Interest	0.12%	\$60
Cash	0.04%	\$20

Service fees

The only other service fees that the Fund currently charges (apart from an investment switching fee) are set out in this table:

Type of fee or cost	Amount	How and when paid
Family law fees:		
Valuation – This fee is for providing information as required under the Family Law Act.	\$110	Payable to the Trustee by the person making the request for information at the time a request is made.
Splitting an account – This fee is for processing the splitting of accounts.	\$88	The fee is shared equally between both parties and deducted from each party's benefit at the time the benefit is split unless all of the benefit is going to the non-member spouse (in which case the non-member spouse pays the full fee).
No TFN tax recovery fee	\$100	This fee will apply if we arrange a refund of the tax deducted from your account for failing to provide a TFN. The fee is deducted at the time of the refund being applied to your account.

Example of annual fees and costs for a balanced investment option

The law requires all superannuation fund trustees to set out in a PDS an example of annual fees and costs that apply to a 'balanced investment option', which typically has a ratio of investment in growth assets to investment in defensive assets as close as practicable to 70:30. The example below allows you to compare 'balanced investment options' in different superannuation funds, regardless of what they are called.

First State Super's investment option which meets the definition of a 'balanced investment option' is the Diversified investment option and an example of annual fees and costs for that option is set out below.

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

EXAMPLE – the balanced investment option (the Diversified investment option) ¹		Balance of \$50,000 with total contributions of \$5,000 during year
Contribution Fees ²	Nil	For every \$5,000 you put in, you will be charged nil.
PLUS Management Costs ³	0.24% ³ + \$52	And, for every \$50,000 you have in the Fund you will be charged \$120 each year plus \$52 in administration fees regardless of your balance.
EQUALS Cost of the Fund		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged fees of \$172 ² . What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser ⁴ .

- 1 The Fund's investment strategy which meets the definition of a 'balanced investment option' is the Diversified investment option.
- 2 Additional fees may apply: Establishment fee – Nil. And, if you leave the Fund, you will be charged a withdrawal fee of \$36.
- 3 This percentage amount is the investment management expense for the Diversified option for the period ended 30 June 2011. See the section **Additional explanation of fees and costs** on page 2.
- 4 Management costs cannot be negotiated in First State Super.

Note: The above example is illustrative only and is based on the factors indicated. It should not be taken to provide an estimate of the management costs that would be payable in respect of your account.

Transaction costs

You do not incur direct transaction costs when making contributions, switches or withdrawals, other than the investment switching fee and withdrawal fee shown in the fees and costs table on page 1 and in the applicable Member Booklet. Transaction costs (such as brokerage and commission) are taken into account at the time the assets of the Fund are valued.

Performance fees

The Trustee has negotiated performance fee arrangements with several of its investment managers. Estimated performance fees are included in the estimate of management costs on page 2 and in the applicable Member Booklet.

A performance fee may be payable once performance above an agreed level has been reached and is typically capped at an upper percentage limit. These arrangements are subject to change. The method of calculation may vary between agreements but generally these fees are calculated as a percentage of the investment returns that exceed the agreed level of return. Investment managers with performance fee arrangements are entitled to a base percentage fee which is usually below the normal active manager fee.

Additions or alterations to fees and charges

The part of the management fee that is expressed as a percentage relates to investment costs. It is an estimate only because it cannot be precisely calculated in advance. At the end of each financial year, we calculate the actual management fee for the previous financial year and report this figure on our website under *What's new at First State Super*. You can also call Customer Service for information on the actual management fee.

All other charges are actual fees and costs current at the date of the Member Booklet. All fees and costs may be revised by the Trustee from time to time. For example, fees and charges may increase when there are changes in superannuation law or increases in fees charged by the Fund's service providers. The Trustee may also increase fees and charges or introduce new fees and charges but will give you at least 30 days prior notice.

Tax deductions

The Fund receives a tax deduction in respect of insurance premiums paid by members, which is credited to the accounts of the members who paid those premiums. The benefit of any tax deductions the Fund may receive in respect of the Administration fee and costs paid by members is not passed on in the form of a reduced fee or cost, but is retained in the Fund for the benefit of the membership as a whole.

Reserves

The Trustee may maintain reserves to manage the Fund's liabilities. Interest earned on contributions received by the Trustee but not yet allocated to your account and administration fees deducted from your account are credited to the Fund's reserve account. The Trustee uses this account to pay the administrator's fees and any other administration and operating expenses of the Trustee or Fund. Any excess retained in the account is ultimately applied for the benefit of the membership as a whole.

Tax

For more information on the amount of tax payable, see the *Tax and super section* of the Member Booklet.

Insurance costs

For information on the cost of insurance, see the *Insurance section* of the Member Booklet.

From 1 July 2011, \$0.10 of the \$5.00 per month cost of each unit of death and total and permanent disablement (TPD) cover, and \$0.05 of the \$2.38 per month cost of each unit of death only cover, is retained by the Trustee to offset costs in administering TPD and death benefits and claims.

Protection for small account balances

Federal Government legislation limits the amount of fees and charges that can be applied to certain small superannuation account balances. If your account balance is less than \$1,000 at the end of a member reporting period (generally 30 June each year or at your date of exit from the Fund), the Trustee currently applies member protection to limit the total fees (excluding investment management fees, insurance premiums and taxes) charged to your account during the period. You will be charged the lesser of two amounts – the earnings on your balance or the administration fee of \$52 for the year.

In the event that the total earnings of the Fund are less than the total administration fees for all members in a year, we may debit each account in the Fund to pay for the operating costs of the Fund. In these years, account balances below \$1,000 may be charged a maximum of total earnings (if less than the normal fee) or \$10 in fees whichever is the greater of the two.

Member protection may result in an administration fee or withdrawal fee being partly or fully rebated.



Contact information

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This document is of a general nature and does not take into account your specific objectives, financial situation or needs. Before making a decision about First State Super, consider your financial requirements and read the Product Disclosure Statement for the First State Super product you currently hold or are considering. The PDS is available from www.firststatesuper.com.au or by calling 1300 650 873. This document is issued by FSS Trustee Corporation (the Trustee) ABN 11 118 202 672 AFSL 293340 the trustee of the First State Superannuation Scheme ABN 53 226 460 365 (First State Super; the Fund). This document is dated 1 October 2011.