

## 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 other 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 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<sup>1</sup>. 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 Investment Commission (ASIC) website ([moneysmart.gov.au](http://moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

The information in this document forms part of the Product Disclosure Statement (PDS), dated 1 July 2024 for the Active Super Defined Benefit Scheme. This document is dated 1 July 2024 and is available free of charge at [activesuper.com.au/pds](http://activesuper.com.au/pds) or you may request a copy from Member Care.

This fact sheet 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, and personal advice fees may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry fees and exit fees cannot be charged.

Taxes are set out in the *Taxation* section of the Active Super Defined Benefit Scheme PDS.

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

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<sup>1</sup> The Trustee is required by law to provide the above statement in a PDS. It is important to note that the fees and costs cannot be negotiated.

## FEES AND COSTS SUMMARY

### Active Super Defined Benefit Scheme

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>ONGOING ANNUAL FEES AND COSTS</b>		
<b>Administration fees and costs</b>	0.35% p.a.	Administration fee percentage is paid from the Fund's assets and reflected daily in the unit price.
<b>Investment fees and costs<sup>2</sup></b>	0.59% p.a.	Investment fees and costs are paid from the Fund's assets and reflected daily in the unit price.
<b>Transaction costs</b>	0.05% p.a.	Transaction costs are paid from the Fund's assets and reflected daily in the unit price.
<b>MEMBER ACTIVITY RELATED FEES AND COSTS</b>		
<b>Buy-sell spread</b>	Nil	Not applicable.
<b>Switching fee</b>	Nil	Not applicable.
<b>Other fees and costs<sup>3</sup></b>	Personal advice fees.  Refer to <i>Additional explanation of fees and costs</i> for more information on other fees and costs.	Personal advice fees are deducted from your account based on your agreement with the financial planner. No advice fees are charged for providing general advice.

<sup>2</sup> Investment fees and costs includes an estimated amount of 0.16% for performance fees. Please refer to the *Performance fees* section on page 4.

<sup>3</sup> Please refer to the *'Financial planning (advice fee)'* section on page 5 and the *'Additional explanation of fees and costs'* on page 3 for more information.

## EXAMPLE OF ANNUAL FEES AND COSTS

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

Example – Defined Benefit Strategy option		Balance of \$50,000
Administration fees and costs	0.35% p.a.	For every \$50,000 you have in the pension product, you will be charged or have deducted from your investment <b>\$175</b> in administration fees and costs
<b>PLUS</b> Investment fees and costs	0.59% p.a.	<b>AND</b> you will be charged or have deducted from your investment <b>\$295</b> in investment fees and costs.
<b>PLUS</b> Transaction costs	0.05% p.a.	<b>AND</b> , you will be charged or have deducted from your investment <b>\$25</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>\$495</b> for the superannuation product.

Note: Additional fees may apply.

## ADDITIONAL EXPLANATION OF FEES AND COSTS

The following are the various fees and costs that may be charged to your account.

### Administration fees and costs

We charge a fee of 0.35% p.a. that is paid from Active Super's assets and reflected daily in the unit price.

The percentage-based administration fee is redeemed on a monthly basis. The balance is then paid to the Active Super Trustee. Any excess funds within the Trustee bank account are transferred to the Administration Reserve. The Administration Reserve is utilised to fund strategic projects within Active Super to drive better outcomes for members.

### Transaction costs

Transaction costs include explicit transaction costs such as brokerage, settlement costs or stamp duty, as well as buy sell spreads charged by our investment managers or in underlying investment vehicles.

Transaction costs in respect of all investment options are an estimate based on the explicit transaction costs incurred by the Fund and underlying investment vehicles

during the year ended 30 June. These estimates are based on information provided by our investment managers and custodian and reflect actual amounts for the year ended 30 June 2024 where available and some estimated components.

### Investment fees and costs

Investment fees and costs are those fees that relate to the investment of the assets of Active Super. These fees are incurred by the Trustee for the exercise of care and expertise in the investment of those assets and may include management fees, indirect costs, operational costs, performance fees and custody fees.

Investment fees and costs are paid from Active Super’s assets and reflected daily in the unit price.

The fees and costs for each investment option are shown below.

#### Personal Account and Other Contributions account

INVESTMENT OPTION	INVESTMENT FEES AND COSTS		ADMINISTRATION FEES AND COSTS		TRANSACTION COSTS
Defined Benefit	0.59%	+	0.35%	+	0.05%

#### Deferred Benefit (including Other Contributions account)

INVESTMENT OPTION	INVESTMENT FEES AND COSTS		ADMINISTRATION FEES AND COSTS		TRANSACTION COSTS
Defined Benefit	0.59%	+	0.35%	+	0.05%

The investment and transaction fees and costs shown above are reasonable estimates and are subject to change.

### Performance fees

The Trustee has performance fee agreements with certain investment managers, which are closely monitored.

Performance fees are payable when investment returns exceed an investment manager’s benchmark and form part of the investment fees and costs. Generally, these fees are calculated as a percentage of the investment returns that exceed an agreed level of return. If the investment returns are below each manager’s benchmark, no performance fee is payable until the underperformance has been made up.

Performance fees are averaged over the five financial years to 30 June 2024. The Performance fee for the Defined Benefit Strategy investment option is 0.16% p.a. and is included as part of Investment Fees and Costs.

### Buy-sell spread

A buy-sell spread is the costs associated with investing in, switching between or withdrawing from the investment options.

All costs associated with any of these transactions (including brokerage and commission) are taken into account at the time of valuation for the investment option. Currently Active Super does not apply a buy-sell spread for any of these transactions however buy-sell spreads are charged by certain investment funds that Active Super invests with.

### **Payments to authorised representatives**

Authorised representatives receive remuneration by means of salary only. No commission is paid by Active Super or its members. You will only be charged an advice fee if you agree to receive personal financial advice from one of our financial planners and the fees will be discussed and agreed with you before providing you with the advice.

### **Taxation rebate**

Active Super receives a tax deduction on fees and costs which is passed back to members in the form of reduced contributions tax. For more information on taxation, please read the *Taxation* section of the Defined Benefit Scheme PDS.

### **Charges paid to investment managers**

Investment management fees and other charges may be paid by the Trustee from the Fund's assets.

All investment management fees and charges are deducted from the gross investment returns prior to the net investment return for the Defined Benefit Strategy being declared.

### **Information on abnormal expenses**

The costs set out in this fact sheet do not incorporate an allowance for abnormal expenses (if any) to which the Trustee is entitled to be reimbursed from Active Super. As at the date of this fact sheet, we do not anticipate any abnormal expenses to be paid.

### **Changes to fees and costs**

Active Super operates on a profit-to-members basis. The Trustee can change the fees charged without your consent, but we will provide you with at least 30 days' notice, as required by law, if there is a material increase in the fees we charge you.

### **Financial planning fee (advice fee)**

Depending upon the scope of the financial advice you require, your financial planner will discuss any fee payable when meeting with you and, if a fee is applicable, will advise you of the fee should you decide to proceed with obtaining the advice.

### **Intra-fund advice about your account**

As a member you have access to advice limited to your account (i.e. intra-fund advice) at no separate charge. The cost of providing this service is covered by the

administration fees and costs. For more information, please see our Financial Services Guide available at [activesuper.com.au](http://activesuper.com.au)

## DEFINED FEES

This section defines the different fees and costs that can be charged to superannuation accounts. The fee definitions are prescribed by law and can also be found on our website at [activesuper.com.au/factsheet/general/fees-sis-definitions-and-how-active-super-applies-them/](http://activesuper.com.au/factsheet/general/fees-sis-definitions-and-how-active-super-applies-them/). Not all charges apply to your Active Super account.

### 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 administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

### Administration fees and costs

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

- a) relate to that administration or operation of the entity; and
- b) 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.

### 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 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 administration fees and costs, investment fees and costs, transaction 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.

*Active Super does not apply a buy-sell spread to any transactions.*

## Exit fees

An **exit fee** is a fee, other than a buy-sell spread, that relates to the disposal of all or part of members' interests in a superannuation entity.

*Active Super does not charge exit fees.*

## 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 include:

- 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:
  - i) relate to the investment of assets of the entity; and
  - ii) 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.

## Switching fees

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.

*Active Super does not charge switching fees.*

## 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.

Any advice in this document is general only and has been issued by LGSS Pty Limited (ABN 68 078 003 497) (AFSL 383558), as Trustee for Local Government Super (ABN 28 901 371 321) ('Active Super'). The advice does not take into account your personal objectives, financial situation or needs. Before making a decision about the product, you should consider the appropriateness of the product having regard to these matters and the relevant PDS or by calling us on 1300 547 873. If you would like advice that takes into account your personal circumstances, please contact a financial adviser.

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