

Reference guide

Additional explanation of fees and costs

Issued on 6 November 2017

The information in this guide forms part of the Product Disclosure Statement (PDS) for smartMonday PENSION dated 6 November 2017.

Administration fees

Asset administration fee

This is the fee we charge for administering your pension and the flows into and out of the investment options. It is deducted monthly from your account.

The fee differs depending on whether you're investing in a retirement pension or a transition to retirement pension:

- > Retirement pension 0.50% pa
- > Transition to retirement pension 0.45% pa

A portfolio rebate applies for balances over \$250,000 (see page 6).

The asset administration fee for the pension consolidation account is 0.50% pa (see page 8).

Member fee: \$87.48 pa (\$7.29 per month)

This is the fee we charge for administering your smartMonday Pension member account. It is deducted monthly from your account. The member fee is indexed each 1 July in line with inflation as measured by the change in the Average Weekly Ordinary Time Earnings (AWOTE) index.

There is no member fee for the pension consolidation account.

Changes and updates to fees

Fees may vary slightly from year to year, mainly due to fluctuating levels of indirect costs in each option.

We'll update you on changes to fees either on our website at smartMonday.com.au/news.aspx or we will write to you, depending on the nature of the change. For example, if we increase any fee (other than for indexation or fluctuations in indirect costs) we'll notify you at least 30 days before the change.

After every 30 June, we will provide detailed information of investment fees and indirect costs for the previous financial year in our *Annual report*.

Investment fees

Investment fee

This is the fee we charge to cover the investment costs relating to your investment options. It includes fees of the fund managers managing the investments, fees and costs charged by the custodian we employ to hold the investments, and any other related cost recoveries. Different investment fees apply depending on the type of investment option you choose.

This fee is not deducted directly from your account. It is reflected in the unit price of each investment option and reduces your investment return.

Indirect costs

An indirect cost is any other cost that reduces your investment return and is not deducted directly from your account.

The indirect costs in each investment option is measured by the indirect cost ratio (ICR), which is reflected in the unit price of each option, along with the investment fee.

Our range of investment options get their exposure to shares, bonds, property and other asset classes by investing in wholesale managed funds. In turn, those funds buy and sell securities and may invest in specialist funds to gain access to certain markets or expertise. Along the way, transaction costs are incurred which are reflected in your investment return. These indirect costs are not paid to us. Costs vary depending on the investment option you choose and usually include:

- > performance-related fees (see page 5)
- > brokerage and derivatives costs on trading activity
- > settlement costs
- > stamp duty on investment transactions (eg property).

While the indirect costs shown in this PDS are estimates, we will provide detailed information of indirect costs for the previous financial year in our *Annual report*.

Retirement pension

Investment fees and indirect costs

The information in this table is current as at the date of issue. Indirect costs are estimates and may vary from year to year. The latest fee information is available at smartMonday.com.au/news.aspx.

Investment option	Investment fee (% pa)	Indirect costs* (ICR % pa)	Investment fee + indirect costs* (% pa)
Pre-mixed			
High Growth – Index	0.48	0.04	0.52
High Growth – Active	0.92	0.29	1.21
Growth – Index	0.48	0.05	0.53
Growth – Active	0.87	0.25	1.12
Balanced Growth – Index	0.48	0.05	0.53
Balanced Growth – Active	0.82	0.20	1.02
Moderate – Index	0.48	0.08	0.56
Moderate – Active	0.72	0.08	0.80
Defensive – Index	0.48	0.07	0.55
Defensive – Active	0.57	0.03	0.60
Sector			
Australian Shares – Index	0.47	0.00	0.47
Australian Shares – Diversified	0.92	0.33	1.25
Australian Shares – Core [†]	0.82	0.05	0.87
International Shares – Index	0.49	0.00	0.49
International Shares – Index (\$A hedged)	0.49	0.24	0.73
International Shares – Diversified	0.92	0.29	1.21
International Shares – Core [†]	1.00	0.14	1.14
International Shares – Core (\$A hedged) [‡]	0.99	0.18	1.17
Property – Australian Index	0.46	0.00	0.46
Property – Diversified	0.75	0.16	0.91
Fixed Interest – Australian Index	0.47	0.00	0.47
Fixed Interest – Australian	0.65	0.01	0.66
Fixed Interest – International Index (\$A hedged)	0.49	0.24	0.73
Fixed Interest – International	0.72	0.10	0.82
Fixed Interest – Diversified	0.70	0.05	0.75
Cash	0.45	0.00	0.45

* Indirect costs are estimates and current for the year to 30 June 2017. ICR may include performance-related fees (see page 5).

[†] Investment fee may include a performance fee. No performance fee was charged for the year ended 30 June 2017.

[‡] Investment fee may include a performance fee. A performance fee of 0.18% for International Shares – Core and 0.17% for International Shares – Core (\$A hedged) was charged for the year ended 30 June 2017.

Transition to retirement pension

Investment fees and indirect costs

The information in this table is current as at the date of issue. Indirect costs are estimates and may vary from year to year. The latest fee information is available at smartMonday.com.au/news.aspx.

Investment option	Investment fee (% pa)	Indirect costs* (ICR % pa)	Investment fee + indirect costs* (% pa)
Pre-mixed			
High Growth – Index	0.53	0.04	0.57
High Growth – Active	0.97	0.29	1.26
Growth – Index	0.53	0.05	0.58
Growth – Active	0.92	0.24	1.16
Balanced Growth – Index	0.53	0.05	0.58
Balanced Growth – Active	0.87	0.20	1.07
Moderate – Index	0.53	0.08	0.61
Moderate – Active	0.77	0.08	0.85
Defensive – Index	0.53	0.07	0.60
Defensive – Active	0.62	0.03	0.65
Sector			
Australian Shares – Index	0.52	0.00	0.52
Australian Shares – Diversified	0.97	0.32	1.29
Australian Shares – Core [†]	0.87	0.05	0.92
International Shares – Index	0.54	0.00	0.54
International Shares – Index (\$A hedged)	0.54	0.24	0.78
International Shares – Diversified	0.97	0.29	1.26
International Shares – Core [‡]	1.05	0.14	1.19
International Shares – Core (\$A hedged) [‡]	1.04	0.18	1.22
Property – Australian Index	0.51	0.00	0.51
Property – Diversified	0.80	0.16	0.96
Fixed Interest – Australian Index	0.52	0.00	0.52
Fixed Interest – Australian	0.70	0.01	0.71
Fixed Interest – International Index (\$A hedged)	0.54	0.24	0.78
Fixed Interest – International	0.77	0.10	0.87
Fixed Interest – Diversified	0.75	0.05	0.80
Cash	0.50	0.00	0.50

* Indirect costs are estimates and current for the year to 30 June 2017. ICR may include performance-related fees (see page 5).

[†] Investment fee may include a performance fee. No performance fee was charged for the year ended 30 June 2017.

[‡] Investment fee may include a performance fee. A performance fee of 0.18% for International Shares – Core and 0.17% for International Shares – Core (\$A hedged) was charged for the year ended 30 June 2017.

Fees and costs examples

Retirement pension

Transition to retirement pension

The overall level of fees is the same whether you're investing in the retirement pension (RP) or a transition to retirement pension (TRP) investment options. However, investment earnings in the TRP options are taxed at the concessional superannuation rate (up to 15% pa) and have a different investment and pricing structure. The two tables below show how fees and costs apply when you invest in a RP or a TRP over a one-year period.

The tables can be used to compare the product with other RP or TRP products. These examples assume that all of your account balance is invested in the **Defensive – Index** investment option, and ignores the effect of earnings, tax, and other deductions on the account balance (such as any activity fees).

If you need to use the pension consolidation account to combine your super money before investing in a pension, an example of the fees and costs is shown on page 8.

Retirement pension

EXAMPLE — Defensive – Index		BALANCE OF \$50,000
Investment fees	0.48% pa	For every \$50,000 you have invested in Defensive – Index you will be charged \$240 each year
PLUS Administration fees	0.50% pa + \$87.48 pa	And , you will be charged up to \$250, plus \$87.48
PLUS Indirect costs*	0.07% pa	And , \$35 in indirect costs
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$612.48 for the product.

Note: Additional fees may apply. **And**, for each amount you withdraw from the product you will be charged an exit fee of \$80.

Transition to retirement pension

EXAMPLE — Defensive – Index		BALANCE OF \$50,000
Investment fees	0.53% pa	For every \$50,000 you have invested in Defensive – Index you will be charged \$265 each year
PLUS Administration fees	0.45% pa + \$87.48 pa	And , you will be charged up to \$225, plus \$87.48
PLUS Indirect costs*	0.07% pa	And , \$35 in indirect costs
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$612.48 for the product.

Note: Additional fees may apply. **And**, for each amount you withdraw from the product you will be charged an exit fee of \$80.

* Indirect costs are estimates and may vary from year to year. They are reflected in unit prices and not deducted directly from your account.

Performance fees and performance-related fees

Some of our actively managed investment options may employ fund managers that charge an additional fee if their investment returns exceed certain prescribed performance targets. These fees are usually* included in the indirect costs measure for each investment option (ie ICR).

These fees can vary from year to year within a range, ie from zero up to a maximum that may be charged by the fund manager/s of that option. We have aggregated these potential fees to show you a maximum charge if all performance fee targets are achieved by the manager/s. This is shown in the table below.

Investment option	Range (up to a max % pa)
Pre-mixed	
High Growth – Active	0 to 0.30
Growth – Active	0 to 0.30
Balanced Growth – Active	0 to 0.25
Moderate – Active	0 to 0.15
Sector	
Australian Shares – Diversified	0 to 0.35
Australian Shares – Core*	0 to 0.45
International Shares – Diversified	0 to 0.35
International Shares – Core*	0 to 0.45
International Shares – Core (\$A hedged)*	0 to 0.45

* Performance fees for these options are included in the investment fee because the performance fee is attributable to all of the assets of the option. Due to the fluctuating nature of performance fees, the investment fees of these options may fluctuate from year to year. The latest fee information is available on the website after every 30 June.

Buy/sell spreads

The trustee of the fund does not charge buy/sell spreads on the investment options. The trustee reserves the right to charge spreads at any time by providing you with 30-days advance notice.

The fund managers that the trustee employs to manage the assets of the investment options may charge buy/sell spreads. These costs are reflected in the unit price of the investment options.

Switching fee

We do not charge a switching fee.

Exit fee

Withdrawal fee: \$80 per withdrawal

This is the fee charged on each amount you take out of your account.

Advice fees

If you need personal financial advice you may wish to engage the services of a financial adviser. Call us and we can help put you in touch with one.

You can pay your financial adviser via a deduction from your account. You can negotiate this with the adviser and they will provide you with a *Statement of Advice* detailing the services provided and the fee charged for those services.

The different ways to deduct an adviser service fee are shown under *Activity fees* on page 7.

Portfolio rebate

If your total account balance is over \$250,000, you will receive a rebate on the asset administration fee. The rebate, which is calculated using your balance at the end of each month, is credited back to your account monthly in the form of additional units in your chosen investment options.

Total account balance	Rebate (% pa)
First \$250,000	Nil
Next \$250,000	0.20
Over \$500,000	0.40

Example: Let's say you have a total account balance of \$800,000. The rebate would be calculated as follows:

Total account balance	Rebate applied	Rebate credited to your account
First \$250,000	\$250,000 x nil	Nil
Next \$250,000	\$250,000 x 0.2%	\$500
Over \$500,000	\$300,000 x 0.4%	\$1,200

Total \$1,700

Government charges and legislation changes

From time to time, the Government makes changes to superannuation rules and infrastructure which result in implementation costs for the fund. The Government may also apply levies on super funds. We may deduct an appropriate amount from your account to recover some or all of these costs, but we'll notify you at least 30 days before we make any deduction.

Tax deductions

Administration costs and insurance premiums are tax deductible to the fund. The tax rebate attributable to these costs is calculated at 15% and passed on to you via a credit to your account on or around 30 June each year.

Goods and services tax (GST)

All fees shown in this PDS and charged to you are inclusive of GST, shown net of reduced input tax credits (RITCs).

Activity fees

These fees apply where you have requested a specific activity or service:

Type of fee	Amount	How and when paid
<p>Adviser service fee</p> <p>There's a few ways to pay your adviser (if you have one). Your adviser will provide you with a <i>Statement of Advice</i> outlining the fee you've agreed. The fee can be:</p> <ul style="list-style-type: none"> > an ongoing asset-based fee or > one or both of the following: <ul style="list-style-type: none"> ▣ an ongoing fixed-dollar fee, and*/or ▣ an ad hoc (one-off) fixed-dollar fee. <p>To authorise payment of the adviser service fee, you and your adviser need to complete and return an <i>Authority to advise</i> form available at smartMonday.com.au/resources.aspx or call us on 1300 880 588. The trustee has the discretion to refuse to deduct an adviser service fee.</p> <p>* The sum of ongoing and ad hoc fees is capped at the greater of \$10,000 pa or 2% pa of the total assets under advice across your super and pension products</p>	<p>Up to 2% pa</p> <p>Up to \$10,000 pa Up to \$10,000 pa</p>	<p>Calculated using your account balance at the end of each month and deducted monthly.</p> <p>Deducted monthly. Deducted as a one-off payment.</p> <p>Example: Let's say you have a total account balance of \$100,000 and that you've agreed an ongoing asset-based adviser service fee of 1% pa. The amount deducted from your account each month will be \$83 (ie 1% x \$100,000/12).</p>
<p>Family law fees</p> <p>Family law legislation comes into play if you separate or divorce from your spouse partner. Depending on the arrangements agreed to, a split of your pension account may be required.</p> <p>Family law can be complex, so we recommend that you and your spouse seek financial and legal advice before considering any splitting of your pension account.</p> <p>We're entitled to charge a reasonable fee for handling family law requests for information and transactions:</p> <ul style="list-style-type: none"> > Valuation fee > Split fee 	<p>\$200 (or \$880 for defined benefit members)</p> <p>\$160</p>	<p>Charged to the person requesting the information at the time the request is made.</p> <p>\$80 charged to each party at the time of the split, deducted from each account.</p>

Pension consolidation account

Fees and costs

This section shows the fees and costs if you use the Pension Consolidation Account to combine your super monies before commencing a smartMonday Pension. The Pension Consolidation Account is described in more detail in the PDS reference guide *Getting to know your pension*.

Pension Consolidation Account		
Type of fee	Amount	How and when paid
Investment fee	0.45% pa	Deducted from the assets of the investment option and included in the calculation of unit prices.
Administration fees:		
<ul style="list-style-type: none"> > Asset administration fee > Member fee 	0.50% pa Nil	Deducted monthly directly from your account. Portfolio rebates apply for account balances over \$250,000. See page 6.
Buy/sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Exit fee		
Withdrawal fee	\$80 per withdrawal	Deducted from each amount you withdraw from your account.
Advice fees	Nil	Not applicable
Relating to all members		
Other fees and costs		
Activity fees:	See page 7	
<ul style="list-style-type: none"> > Adviser service fee > Family law valuation fee > Family law split fee 		
Indirect cost ratio (ICR)*	0.00% pa	Reflected in the daily unit price and may vary daily depending on the costs incurred in investing the assets of the investment option.

* Indirect costs are estimates and current for the year to 30 June 2017. The latest information is available at smartMonday.com.au/news.aspx.

Definitions

Type of fee or cost	Definition
Activity fee	<p>A fee is an activity fee if:</p> <ul style="list-style-type: none"> (a) the fee relates to costs incurred by the trustee, or the trustees, of a superannuation entity that are directly related to an activity of the trustee, or the trustees: <ul style="list-style-type: none"> (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 an administration fee, an investment fee, a buy sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.
Administration fee	<p>An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:</p> <ul style="list-style-type: none"> (a) borrowing costs; and (b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and (c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.
Advice fee	<p>A fee is an advice fee if:</p> <ul style="list-style-type: none"> (a) the fee relates directly to costs incurred by the trustee, or the trustees, of a superannuation entity because of the provision of financial product advice to a member by: <ul style="list-style-type: none"> (i) a trustee of the entity; or (ii) another person acting as an employee of, or under an arrangement with, a trustee or trustees of the entity; and (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.
Exit fee	<p>An exit fee is a fee to recover the costs of disposing of all or part of members' interests in a superannuation entity.</p>
Indirect cost ratio (ICR)	<p>The indirect cost ratio is the ratio of the total of the indirect costs for an investment option offered by a superannuation entity, to the total average net assets of the fund attributed to an investment option.</p>
Investment fee	<p>An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <ul style="list-style-type: none"> (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and (b) costs that relate to the investment of assets of the entity, other than: <ul style="list-style-type: none"> (i) borrowing costs; and (ii) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and (iii) costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Source: Australian Prudential Regulation Authority (APRA)



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It all adds up



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The information in this PDS is general information and doesn't take into account your personal financial situation or needs. Before making a decision about this product you should consider whether it suits your particular circumstances and, where appropriate, you may wish to seek financial advice specific to your needs.

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