

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 PRIME dated 6 November 2017

For the fees and costs that apply to the direct investment option (DIO), see the *Direct investment option* guide available at smartMonday.com.au/resources.aspx.

Where the term 'managed investment options' is used in the PDS, it refers to our range of pre-mixed and sector investment options only, and does not include DIO.

Administration fees

Asset administration fee

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

The fee differs depending on whether you're invested in Aon MySuper or in any of our other managed investment options:

- > Aon MySuper Up to 0.53% pa
- > any other managed option Up to 0.50% pa

If you hold a combination of Aon MySuper and any other managed investment options then the fee will be calculated according to the proportion of your balance in each option.

You may be eligible for a reduction in this fee depending on your employer's plan. See your *Starter pack* for details.

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

This is the fee we charge for administering your 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.

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 managed 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 managed 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 managed 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 3)
- > 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*.

Investment fees and indirect costs for the managed investment options

The information in this table is current as at the date of issue. Indirect costs 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			
Aon MySuper [^]	0.24	0.04 to 0.07	0.28 to 0.31
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
Australian Shares – Socially Responsible	1.39	0.12	1.51
Australian Shares – Opportunities	1.12	0.94	2.06
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
International Shares – Emerging Markets	1.22	0.08	1.30
Property – Australian Index	0.51	0.00	0.51
Property – Diversified	0.80	0.16	0.96
Property – Global Listed (\$A hedged)	1.07	0.30	1.37
Alternative – Diversified	0.92	0.15	1.07
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 3).

[†] 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.

[^] Indirect costs for the MySuper investment option depend on the proportion you have invested in the MySuper High Growth and Defensive portfolios, which depends on your age.

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
Australian Shares – Opportunities	0 to 1.10
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.

Insurance administration fee

A fee of 10% (plus GST) applies and is payable to Aon Hewitt for administering the insurance arrangements on your account. The fee is paid to Aon Hewitt directly and is deducted simultaneously from your account at the time of remitting your insurance premium to the insurer. See the PDS reference guide *Insurance* available on our website smartMonday.com.au/resources.aspx for more information.

Advice fees

Intra-fund advice

As a member, you have access to our intra-fund advice team who can provide you with advice on your super investments, contributions, insurance and overall retirement adequacy. The cost of intra-fund advice is included in the fees you pay us for administering your investments.

Call us on **1300 880 588** to access the service.

Personal financial advice

If you need more comprehensive or 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 the next page.

Employer-paid fees and costs

Your employer may elect to compensate you for any administration fees and/or insurance costs deducted from your account. If they choose to do so, you'll see this as an additional contribution to your account. Any additional contributions by your employer will count towards your annual concessional contributions cap (limit), which is \$25,000 pa as at the date of this document.

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</p> <p>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.</p> <p>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 super 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 super 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>

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>
Insurance fee (referred to as Insurance administration fee in the fund)	<p>A fee is an insurance fee if:</p> <ul style="list-style-type: none"> (a) the fee relates directly to either or both of the following: <ul style="list-style-type: none"> (i) insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity; (ii) costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and (b) the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and (c) the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.
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



Done today
Smart easy actions



Positive actions
Grow your wealth



Brighter futures
Someday starts today

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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.

An investment in smartMonday PRIME is neither a deposit nor a liability of Aon Hewitt Limited, Equity Trustees Superannuation Limited, nor any of their related entities and none of them guarantees your investment in the product.