

# Reference guide

## Fees and costs

Prepared: 19 May 2020

The information in this guide forms part of the smartMonday DIRECT Product Disclosure Statement (PDS) dated 19 May 2020.

### 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 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 the 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. 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 Investments Commission (ASIC) website [moneysmart.gov.au](http://moneysmart.gov.au)** has a superannuation fee calculator to help you check out different fee options.

This document shows the 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, advice fees for personal advice, and insurance fees may also be charged, but these will depend on the nature of the activity, advice, or insurance chosen by you.

Taxes, insurance fees and other costs relating to insurance are set out in other guides that form part of the PDS.

You should read all the information about fees and other costs because it is important to understand their impact on your investment. Investment fees and indirect costs vary depending on the investment option(s) you are invested in. The fees and costs for each investment option offered by the fund are set out on page 3.

See **page 9** for the definition of each type of fee and cost according to the superannuation legislation. Not all the fees listed will apply to this product.

### Changes and updates to fees and costs

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](http://smartMonday.com.au)** 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 indirect costs for the previous financial year on our website at **[smartMonday.com.au](http://smartMonday.com.au)** as soon as they become available.

**smartMonday DIRECT**

Type of fee	Amount	How and when paid
<b>Investment fee<sup>1</sup></b>	Depending on the investment option, ranges from:  0.50% to 1.22% pa  The investment fee for each option is listed on the next page.	Deducted from the assets of the investment option and included in the daily calculation of unit prices. See page 4 for more information about this fee.
<b>Administration fees<sup>1</sup>:</b> <ul style="list-style-type: none"> <li>&gt; Asset administration fee</li> <li>&gt; Member fee<sup>2</sup></li> </ul>	0.45% pa \$91.56 pa (\$7.63 per month)	Deducted monthly directly from your account. Portfolio rebates apply for account balances over \$250,000. See page 4 for more information about this fee, or page 7 for more information about rebates.
Buy/sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
<b>Advice fees</b> relating to all members investing in a MySuper product or investment option	Nil	Not applicable.
<b>Other fees and costs<sup>3</sup></b>	Various	Deducted from your account, where applicable.
<b>Indirect cost ratio<sup>1, 4</sup></b>	Depending on the investment option, ranges from:  0.00% to 0.41% pa (estimated)  The indirect cost ratio (ICR) for each option is listed on the next page.	Reflected in the daily unit price and may vary daily depending on the costs incurred outside the fund in investing the assets of the investment option.  See page 4 for more information about indirect costs.

<sup>1</sup> If your account balance for a product offered by the fund is less than \$6,000 at the end of the financial year, or at the time you close the product, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of the cap will be refunded.

<sup>2</sup> Fee will be indexed each 1 July for changes in the Average Weekly Ordinary Time Earnings (AWOTE) index.

<sup>3</sup> Other fees may apply, including activity fees, advice fees for personal advice and insurance fees (as applicable). See the *Additional Explanation of fees and costs* section for more information.

<sup>4</sup> The ICR is estimated and may vary from year to year. The latest information is available at [smartMonday.com.au/News.aspx](http://smartMonday.com.au/News.aspx).

## Additional explanation of fees and costs

### Table of investment fees and indirect costs for all investment options

The information in this table is current as at the date of preparation of this guide. Indirect costs may vary from year to year. The latest fee information is available at [smartMonday.com.au](http://smartMonday.com.au).

Investment option	Investment fee (% pa)	Indirect costs <sup>1</sup> (ICR % pa)	Investment fee + indirect costs <sup>1</sup> (% pa)
<b>Pre-mixed</b>			
High Growth – Index	0.53	0.02	0.55
High Growth – Active	0.97	0.17	1.14
Growth – Index	0.53	0.03	0.56
Growth – Active	0.92	0.16	1.08
Balanced Growth – Index	0.53	0.03	0.56
Balanced Growth – Active	0.87	0.14	1.01
Moderate – Index	0.53	0.04	0.57
Moderate – Active	0.77	0.11	0.88
Defensive – Index	0.53	0.05	0.58
Defensive – Active	0.62	0.10	0.72
<b>Sector</b>			
Australian Shares – Index	0.52	0.01	0.53
Australian Shares – Diversified	0.97	0.14	1.11
Australian Shares – Core	0.87	0.12	0.99
Australian Shares – Opportunities	1.12	0.21	1.33
International Shares – Index	0.54	0.01	0.55
International Shares – Index (\$A hedged)	0.54	0.12	0.66
International Shares – Diversified	0.97	0.20	1.17
International Shares – Core	0.87	0.13	1.00
International Shares – Core (\$A hedged)	0.87	0.30	1.17
International Shares – Emerging Markets	1.22	0.17	1.39
Property – Australian Index	0.51	0.02	0.53
Property – Diversified	0.80	0.21	1.01
Property – Global Listed (\$A hedged)	1.07	0.41	1.48
Alternative – Diversified	0.92	0.07	0.99
Fixed Interest – Australian Index	0.52	0.07	0.59
Fixed Interest – Australian	0.70	0.09	0.79
Fixed Interest – International Index (\$A hedged)	0.54	0.06	0.60
Fixed Interest – International	0.77	0.16	0.93
Fixed Interest – Diversified	0.75	0.13	0.88
Cash	0.50	0.00	0.50

<sup>1</sup> Indirect costs are estimates. The ICR may include performance-related fees (see page 5).

## Administration fees

These are the fees we charge for administering your super account. There's a percentage-based fee and a dollar-based fee.

**Asset administration fee:** 0.45% pa

This is a percentage-based fee that is deducted monthly from your account.

A portfolio rebate applies for balances over \$250,000 (see page 7).

**Member fee:** \$91.56 pa (\$7.63 per month)

This is a dollar-based fee that is deducted monthly from your account. It is indexed annually each 1 July in line with inflation as measured by the change in the Average Weekly Ordinary Time Earnings (AWOTE) index.

## Investment fees

### Investment fee

This is the fee we charge to cover the investment costs relating to each investment option you are invested in. 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 investment-related cost recoveries paid out of the fund. Different investment fees apply depending on the type of investment option you choose.

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

## Indirect costs

### Indirect cost ratio

An indirect cost is any other cost that reduces your investment return and is not deducted directly from your account or paid out of the fund.

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

Our range of investment options get their exposure to shares, bonds, listed 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, transactional and operational costs are incurred outside the fund which are reflected in your investment return. These costs are not an additional charge to you.

Indirect costs vary depending on the investment option you choose and usually include:

- > transactional and operational costs, and
- > if applicable, performance-related fees (see next page)

Indirect costs shown in the PDS and this guide are estimates based on information provided by the underlying fund managers. These costs may vary from year to year. We will provide updated information about indirect costs from time to time on our website at [smartMonday.com.au](http://smartMonday.com.au).

### Transactional and operational costs

Transactional and operational costs are costs associated with the buying and selling of underlying investments and are defined (under relevant regulations) to include buy-sell spreads, brokerage, settlement costs (including related custody costs), clearing costs and stamp duty on investment transactions (depending on the nature of the underlying investments or assets) but do not include (in the case of superannuation funds) certain costs associated with over-the-counter derivative financial products and borrowing costs. There are no transactional and operational costs paid out of the fund's assets, any such costs are incurred outside the fund.

These costs can be incurred directly by underlying fund managers or as a result of a manager investing through a fund into another fund. This is referred to as gaining exposure to underlying assets through an *'interposed vehicle'*.

Examples of costs that are incurred by our underlying fund managers or through interposed vehicles in relation to the buying and selling of assets include brokerage and settlement costs on share trading and buy-sell spreads of or incurred by unitised managed funds.

Transactional and operational costs (excluding costs associated with over-the-counter derivatives, borrowing costs and any other investment-related costs that would otherwise form part of the investment fees of each of the investment options) vary depending upon the different asset classes and fund managers within each investment option.

## Table of estimated transactional and operational costs

Investment option	Estimated operational and transactional costs (excluding performance-related fees) % pa
<b>Pre-mixed</b>	
High Growth – Index	0.02
High Growth – Active	0.15
Growth – Index	0.02
Growth – Active	0.14
Balanced Growth – Index	0.03
Balanced Growth – Active	0.12
Moderate – Index	0.04
Moderate – Active	0.09
Defensive – Index	0.05
Defensive – Active	0.08
<b>Sector</b>	
Australian Shares – Index	0.01
Australian Shares – Diversified	0.14
Australian Shares – Core	0.12
Australian Shares – Opportunities	0.21
International Shares – Index	0.01
International Shares – Index (\$A hedged)	0.06
International Shares – Diversified	0.17
International Shares – Core	0.12
International Shares – Core (\$A hedged)	0.21
International Shares – Emerging Markets	0.16
Property – Australian Index	0.02
Property – Diversified	0.17
Property – Global Listed (\$A hedged)	0.32
Alternative – Diversified	0.05
Fixed Interest – Australian Index	0.07
Fixed Interest – Australian	0.09
Fixed Interest – International Index (\$A hedged)	0.06
Fixed Interest – International	0.10
Fixed Interest – Diversified	0.10
Cash	0.00

## Buy-sell spreads

While costs related to buy-sell spreads may be incurred indirectly via the transactional and operational costs described in the previous sections, 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.

## Performance-related fees

Some of our 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 and shown in this table.

Investment option	Range (up to a max % pa)
<b>Pre-mixed</b>	
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
<b>Sector</b>	
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

## Insurance fees

The cost of your insurance includes the insurance premium and an insurance administration fee. You will see this as a monthly deduction from your account.

### Insurance premiums

Your insurance premium is usually dependent on a number of factors including the type of cover you have, your age, the amount of cover, your occupation factor, and if you have any additional loadings.

### Insurance administration fee

The cost of your insurance includes a fee of 15% (plus Goods and Services Tax (GST) and net of Reduced Input Tax Credits (RITC)) of the insurance premium which is payable directly to Aon for administering the insurance arrangements applicable to your account.

See the *Insurance* reference guide available on our website at [smartMonday.com.au](http://smartMonday.com.au) for more information about the costs of insurance, or call us on **1300 880 588**.

## Advice fees

### smartCoaches

As a member, you have access to smartCoaches who can provide you with intra-fund advice (at no additional cost) about your investment mix, contributions, and insurance within the fund. Any intra-fund advice is provided by or on behalf of Aon. The cost of this advice is included in the fees you pay for administering your investments. Call us on **1300 880 588** to find out more about accessing 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.

You can authorise the trustee to pay your financial adviser for personal advice about superannuation via a deduction from your account. You can negotiate the amount of the fee 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 8.

## Switching fee

We do not charge a switching fee.

## Portfolio rebate

When 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
		<b>Total \$1,700</b>

## Tax

For information about the tax applicable to superannuation, see the reference guide *Tax, super and privacy* available on our website at [smartMonday.com.au](http://smartMonday.com.au).

### Tax deductions

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

### 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).

## Changes to fees and costs

We have the right to change the fees and costs described in this guide without your consent. We will notify you of any changes at [smartMonday.com.au](http://smartMonday.com.au) or in writing, depending on the nature of the change, as outlined above. Any annual indexation of the member fee will not be notified to you.

We may charge additional costs arising from Government charges and legislation changes (see below).

## 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 additional 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.

## Activity fees

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

Type of fee	Amount	How and when paid
<p><b>Adviser service fee</b></p> <p>There's a few ways to pay your adviser (if you have one) for superannuation related advice you obtain from them. 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"> <li>&gt; an ongoing asset-based fee</li> <li>or</li> <li>&gt; one or both of the following:               <ul style="list-style-type: none"> <li>▮ an ongoing fixed-dollar fee, and*/or</li> <li>▮ an ad hoc (one-off) fixed-dollar fee.</li> </ul> </li> </ul> <p>To authorise payment of the adviser service fee by way of a deduction from your account in the fund, you and your adviser need to complete and return an <i>Authority to advise</i> form available at <a href="http://smartMonday.com.au/resources.aspx">smartMonday.com.au/resources.aspx</a> or call us. 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>Adviser service fees are negotiable with your adviser, subject to the limits shown above</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><b>Example:</b> 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><b>Family law fees</b></p> <p>Family law legislation comes into play if you separate or divorce from your spouse. 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"> <li>&gt; Valuation fee</li> <li>&gt; Split fee</li> </ul>	<p>\$200</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 (in relation to the amount applicable to you) from your account.</p>



## Defined fees

Type of fee or cost	Definition
<b>Activity fee</b>	<p>A fee is an <b>activity fee</b> if:</p> <ul style="list-style-type: none"> <li>(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"> <li>(i) that is engaged in at the request, or with the consent, of a member; or</li> <li>(ii) that relates to a member and is required by law; and</li> </ul> </li> <li>(b) those costs are not otherwise charged as an administration fee, an investment fee, a buy sell spread, a switching fee, an advice fee or an insurance fee.</li> </ul>
<b>Administration fee</b>	<p>An <b>administration fee</b> 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"> <li>(a) borrowing costs; and</li> <li>(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</li> <li>(c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</li> </ul>
<b>Advice fee</b>	<p>A fee is an <b>advice fee</b> if:</p> <ul style="list-style-type: none"> <li>(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"> <li>(i) a trustee of the entity; or</li> <li>(ii) another person acting as an employee of, or under an arrangement with, a trustee or trustees of the entity; and</li> </ul> </li> <li>(b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.</li> </ul>
<b>Buy/sell spreads</b>	<p>A <b>buy-sell spread</b> is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.</p>
<b>Indirect cost ratio (ICR)</b>	<p>The <b>indirect cost ratio</b> for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.</p> <p>Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.</p>
<b>Insurance fee</b>	<p>A fee is an <b>insurance fee</b> if:</p> <ul style="list-style-type: none"> <li>(a) the fee relates directly to either or both of the following: <ul style="list-style-type: none"> <li>(i) insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity;</li> <li>(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</li> </ul> </li> <li>(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</li> <li>(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 activity fee or an advice fee.</li> </ul>

## Defined fees (continued)

Type of fee or cost	Definition
<b>Investment fee</b>	<p>An <b>investment fee</b> is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <ul style="list-style-type: none"> <li>(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and</li> <li>(b) costs that relate to the investment of assets of the entity, other than: <ul style="list-style-type: none"> <li>(i) borrowing costs; and</li> <li>(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</li> <li>(iii) costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</li> </ul> </li> </ul>
<b>Switching fee</b>	<p>A <b>switching fee</b> for a MySuper product is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one class of beneficial interest in the entity to another.</p> <p>A <b>switching fee</b> for superannuation products 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.</p>

smartMonday is a registered trading name of Aon Solutions Australia Limited ABN 48 002 288 646 AFSL 236667 (Aon), the sponsor of the Aon Master Trust ABN 68 964 712 340 (the fund). smartMonday DIRECT is a part of the fund. This guide has been prepared by Aon, on behalf of the trustee. The trustee is Equity Trustees Superannuation Limited ABN 50 055 641 757 AFSL 229757 RSE Licence L0001458 and is the issuer of the range of smartMonday PDSs. References in this guide to 'we', 'us', and 'our' are references to the trustee.

The information in this guide is general in nature and should not be relied upon as personal advice as your personal needs, objectives and financial situation have not been considered. 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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