

1 August 2022



# Fees and Costs Guide

For Industry, Transuper and TransPersonal members

For the people who  
keep Australia moving



# Fees and costs

## Industry Super Fund = all profits to members

TWUSUPER is the Industry Super Fund for the people who keep Australia moving. By understanding your needs we can provide you with the right help, whenever and wherever you need it.

As an Industry Super Fund TWUSUPER is run only to benefit members. This means our fees are only used to cover the costs of running the Fund and not to make profits for shareholders.

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the earnings on your investment or from the assets of the Fund 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. Entry and exit fees cannot be charged.

Taxes, insurance fees and other costs relating to insurance are set out in *How super works* and our *Insurance Guide* available at [twusuper.com.au/pds](http://twusuper.com.au/pds).

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

### Consumer Advisory Warning

#### 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 administration 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 ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a superannuation fee calculator to help you check out different fee options.

\* The Consumer Advisory Warning above is a Government prescribed warning. The claim that 'You or your employer, as applicable, may be able to negotiate to pay lower administration fees' is not relevant to TWUSUPER.

Type of fee	Amount	How and when paid
<b>Investment fee*</b>	<ul style="list-style-type: none"> <li>&gt; <b>Cash Plus:</b> 0.06%</li> <li>&gt; <b>Conservative:</b> 0.16% Performance related fee: 0.01%</li> <li>&gt; <b>Moderate:</b> 0.20% Performance related fee: 0.02%</li> <li>&gt; <b>Balanced (MySuper):</b> 0.19% Performance related fee: 0.01%</li> <li>&gt; <b>High Growth:</b> 0.23% Performance related fee: 0.01%</li> </ul>	Not deducted from your account. Deducted from total Fund assets before unit prices are determined.
<b>Administration fee*</b>	\$6.50 per month (or \$78 pa), plus 0.25% direct expense recovery fee (capped at \$750 pa)	Calculated monthly and deducted directly from your account
<b>Insurance administration fee*</b>	Calculated as 3% of an insured member's gross insurance premiums	Calculated monthly and deducted directly from your account (insured members only)
<b>Buy-sell spread</b>	Nil	Not applicable
<b>Switching fee</b> (the fee for changing investment options)	Nil	Not applicable
<b>Advice fees</b> relating to all members investing in a particular MySuper product or investment option	Nil	Not applicable
<b>Other fees and costs</b>	Activity fees relating to personal advice (if requested), contribution splitting, Family Law and insurance fees (in the form of premiums) may also be charged to your account	
<b>Indirect cost ratio*</b>	<ul style="list-style-type: none"> <li>&gt; <b>Cash Plus:</b> 0.06%</li> <li>&gt; <b>Conservative:</b> 0.30% Performance related fee: 0.01%</li> <li>&gt; <b>Moderate:</b> 0.35% Performance related fee: 0.03%</li> <li>&gt; <b>Balanced (MySuper):</b> 0.45% Performance related fee: 0.08%</li> <li>&gt; <b>High Growth:</b> 0.42% Performance related fee: 0.09%</li> </ul>	Not deducted from your account. Deducted from total Fund assets before unit prices are determined.

See 'Additional explanation of fees and costs' on page 5 for further information on the above fees (including other fees and costs).

The investment fees and indirect cost ratios (including any performance related fees) are estimated based on information for the financial year ended 30 June 2021. Actual amounts may vary.

\* If your account balance is less than \$6,000 on the last day of the financial year or on leaving the Fund, the total amount of administration fees, insurance administration fees, investment fees and indirect costs charged for that year will be capped at no more than 3% of your account balance. Any amount charged in excess of that cap must be refunded.

## Example of annual fees and costs

This table gives an example of how the fees and costs for the Balanced (MySuper) option for this super product can affect your super investment over a 1 year period. You should use this table to compare this super product with other super products.

Example – Balanced (MySuper)		Balance of \$50,000
<b>Investment fees</b>	0.20% (estimated)	> For every \$50,000 you have in the Balanced (MySuper) option you will be charged \$100 each year.
<b>PLUS Administration fees</b>	Administration fee: \$78*	> <b>And</b> , you will be charged \$78 in administration fees regardless of your account balance
	Direct expense recovery fee: 0.25%**	> plus \$125 in administration fees based your account balance
<b>PLUS Indirect costs for the Balanced (MySuper) option</b>	0.53%# (comprising 0.45% estimated investment cost plus 0.08% estimated performance related fee)	> <b>And</b> , indirect costs of \$265 each year will be deducted from your investment.
<b>EQUALS Cost of product</b>		> If your balance was \$50,000, then for that year you will be charged fees of \$568 for the Balanced (MySuper) option.

Note: Additional fees may apply, including an insurance administration fee for insured members.  
 \* Based on a monthly fee of \$6.50. \*\* Capped at \$62.50 per month (\$750 per annum). # Gross of tax, but net of reduced input tax credits.

# Additional explanation of fees and costs

## Fee cap

If your account balance is less than \$6,000 on the last day of the financial year or upon leaving the Fund, the total amount of administration fees, investment fees and indirect costs charged for that year will be capped at no more than 3% of your account balance.

Refunds of any amount charged in excess of that cap will be made within three months.

## Fee changes

All fees may be revised or adjusted from time to time without your consent, and we may also introduce new fees. However, we will give you at least 30 days' notice of any material increase in fees, unless the increase arises only from an increase in costs.

## Investment cost

Estimated investment costs vary for each investment option and may change throughout the year due to timing, cash flow, changes to investment managers, changes in asset allocation and other factors. Investment related expenses (such as investment manager fees and transaction costs) at Fund level are included as investment fees. Investment related expenses incurred in making investments through underlying vehicles (such as trusts) are included in the indirect cost ratio. Investment fees and indirect costs are deducted from Fund assets before the unit prices of our investment options are determined – they are not deducted from your account. These costs are estimated and based on information for the financial year ended 30 June 2022 and the Fund's strategic asset allocation as at 30 June 2022. If it becomes apparent that actual costs will vary in a way that is materially adverse, the estimated costs will be updated.

## Performance related fee

In some cases investment managers are paid a performance related fee if they exceed agreed performance targets. The estimated investment fee and indirect cost ratio for the Conservative, Moderate, Balanced (MySuper) and High Growth investment options include a performance related fee, payable if investment managers exceed agreed performance targets.

If an investment manager earns a performance related fee, it is passed onto members as an adjustment to the investment performance of the relevant investment option. A performance related fee will not always be payable.

Because performance targets vary between investment managers, it is not possible to provide an accurate figure for the performance related fees. The performance related fees (as shown in the *Investment fee* section of the table on page 3) are therefore estimates, based on:

- › the strategic asset allocation of the relevant investment option as at 30 June 2022,
- › outperformance by the investment managers, based on indicative annualised calculations using fee information provided by investment managers (including underlying investment managers) for periods up to approximately 30 June 2022.

The actual performance related fee will vary depending on the actual return and agreements in place with relevant investment managers. The use of estimates is not an indication or guarantee of future performance.

## Expense recovery fee

The administration fee includes an expense recovery fee that comprises estimated operational costs such as administration charges, legal fees, office and communication expenses and other miscellaneous expenses incurred by the Trustee in the Fund's day-to-day operations.

The calculation of this fee is based on the estimated costs to be incurred for the financial year ended 30 June 2021. If it becomes apparent that actual costs will vary in a way that is materially adverse, the estimated costs will be updated.

## Reserves

The Fund maintains three reserves:

- The Operational Risk Reserve (ORR) is designed to protect members' investments against adverse events resulting from failed processes or systems and external events such as fraud. The ORR's target level is 0.25% of net Fund assets and was fully funded as at 1 July 2022.
- The Strategic Risk Reserve (SRR) is designed to protect members' investments against losses resulting from strategic and reputational risk events. The SRR's target level is 0.10% of net Fund assets and was fully funded as at 1 July 2022.

- The Trustee Reserve (TR) is designed to set aside funds for the payment of financial penalties that regulators may subject the Fund to, exposing it to the risk of insolvency. The TR's target level is \$6 million and was funded to an amount of approximately \$4.87 million as at 1 July 2022. The TR is expected to be fully funded by no later than 30 June 2026.

## Transactional and operational costs

Transactional and operational costs (T&O Costs) include brokerage, clearing costs and stamp duty associated with trading to implement the relevant investment option strategies. Some of these costs are additional costs to the investor, as shown in the table below, but most of them have already been included in either the investment fee or indirect cost ratio for the option. T&O Costs are paid out of the assets of the Fund or deducted from the underlying vehicles before the unit prices of our investment options are determined.

**T&O Costs for the 12 month period to 1 July 2022 are estimated as follows:**

Investment option	Total transactional and operational costs	Transactional and operational costs already included in other fees and costs	Additional cost to you
Cash Plus	0.0%	0.0%	0.0%
Conservative	0.14%	0.10%	0.04%
Moderate	0.16%	0.12%	0.04%
Balanced (MySuper)	0.19%	0.14%	0.05%
High Growth	0.19%	0.14%	0.05%

The costs for the current period may vary from these amounts and may be greater (or lower) than past experience.

## Borrowing costs

Borrowing costs relate to any credit facility used within an underlying vehicle as part of implementing the investment strategy of each option. The estimated borrowing costs (if any) for each of the investment options for the 12 month period to 1 July 2022 are set out in the table below:

Option	Net borrowing cost (estimated for 12 months to 1 July 2022)
Cash Plus	0.0%
Conservative	0.05%
Moderate	0.05%
Balanced (MySuper)	0.04%
High Growth	0.03%

The costs for the current period may vary from these amounts and may be greater (or lower) than past experience.

Borrowing costs are an additional cost to members. They are not included in costs disclosed in the investment fees or indirect cost ratios shown for each investment option.

## Property operational costs

Property operational costs relate to the management of real property held within an investment option. The estimated property operational costs (if any) for each of the investment options for the 12 month period to 1 July 2022 are set out in the table below:

Option	Property operational cost (estimated for 12 months to 1 July 2022)
Cash Plus	0.0%
Conservative	0.05%
Moderate	0.06%
Balanced (MySuper)	0.06%
High Growth	0.04%

The costs for the current period may vary from these amounts and may be greater (or lower) than past experience.

Property operational costs are an additional cost to members and have not been included in costs disclosed in the investment fees or indirect cost ratios shown for each investment option.

## Other fees and costs

### Insurance fees

Insurance fees apply to insured members and are made up of two parts.

- Premiums: Insurance premiums apply to all insured members and vary depending on what cover you have, the level of cover, your age and your insurance group.
- Insurance administration fee: In addition to insurance premiums, all insured members are charged an insurance administration fee. This fee is calculated as 3% of an insured member's gross insurance premiums, charged as a separate and stand-alone fee.

Insurance fees are payable monthly in arrears from your account. At the end of each month, you must have enough money in your account to cover the premiums or your insurance will lapse on the last day of the month in which there is an insufficient account balance to deduct the previous month's premiums in full.

If we are unable to deduct the full monthly premium for the last month of cover, we will deduct any remaining fee still owing when your account balance holds sufficient funds to allow the fee to be deducted. This will be a one-off deduction for the last month of cover and will be detailed in your periodic statement as such.

Government rules mean that if your account doesn't receive a contribution or rollover for at least 16 months, insurance cover must be removed from your account (unless you let us know you wish to keep it). If the balance in your account is less than \$6,000, we may also be required to transfer the account to the ATO – if we do so, you will no longer be a member of TWUSUPER and any insurance cover attached to the account will be turned off.

### Family Law valuation fee

A fee of \$50 applies for every request made by an eligible person for information about your account under family law legislation. The fee is charged to the person requesting the valuation when the request is made and is payable by cheque.

### Family Law account splitting fee

If your account must be split to effect a Family Law splitting order or arrangement, a fee of \$50 applies. The fee will be divided evenly and deducted from your account and your former spouse's entitlement when the account split is processed.

### Contribution splitting fee

If you split super contributions with your spouse, and your spouse's account is held with TWUSUPER, no fee applies. However, if your spouse's account is not held with us, a fee of \$55 applies. This fee is deducted from your account when the split is processed.

### Personal advice fee

This fee is agreed between you and our preferred financial advice provider for personal advice. Generally, if the financial advice is about super, you can have this fee deducted from your account. We do not pay commissions to financial advisers.

## Tax and fees

### Goods and Services Tax (GST)

GST applies to most fees charged to the Fund (but is not payable on investments purchased by the Fund). Generally, we cannot claim full input tax credits for these fees, but may be entitled to reduced input tax credits for part of these fees. All the fees and costs shown in the table on page 3 are inclusive of GST and any applicable reduced input tax credits.

### Tax deductions

The Fund may be entitled to claim a tax deduction against its taxable income for expenses. The tax impacts for the following expenses are reimbursed as follows:

- › **Insurance premiums:** The Fund reimburses any tax deduction applicable to insurance premiums directly to members' accounts monthly.
- › **Investment and expense recovery fees:** Deductions claimed for investment related expenses and the expense recovery fee are applied against the Fund's taxable investment income and reflected in the unit price.
- › **Administration fee and insurance administration fee:** Deductions claimed for the administration fee (\$6.50 per month plus 0.25% direct expense recovery fee) and insurance administration fee are applied against the Fund's taxable investment income and reflected in the unit price.

For more information about tax please refer to *How super works* at [twusuper.com.au/pds](https://www.twusuper.com.au/pds).

## Defined fees

The following is Government prescribed wording to define the fees recorded in the fees table on page 3 and other fees that are commonly charged by super funds. These definitions can also be found at [twusuper.com.au/feeterms](http://twusuper.com.au/feeterms).

### Activity fee

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 an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

### Administration fee

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:

- 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 activity fee, an advice fee or an insurance fee.

### Advice fee

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 an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

### Buy-sell spread

A *buy-sell spread* 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.

## Exit fee

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

## Indirect cost ratio

The *indirect cost ratio* (ICR) for a MySuper product or an investment option offered by the 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.

Note: A fee deducted directly from a member's account or paid out of the superannuation entity is not an indirect cost.

## Insurance fee

A fee is an *insurance fee* if:

- a) the fee relates directly to either or both of the following:
  - i) insurance premiums paid by the trustee of the superannuation entity in relation to a member or members of the entity;
  - ii) costs incurred by the trustee of the 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 activity fee or an advice fee.

## Investment fee

An *investment fee* is a fee that relates to the investment of the assets of the superannuation entity and includes:

- 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:
  - i) borrowing costs;
  - 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 activity fee, an advice fee or an insurance fee

but does not include property operating costs.

## Switching fee

A *switching fee* for 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 class of beneficial interest to another.

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.

# We're here to help you with your super



## Member Service team

**If you're not sure where to start, contact our Member Service team.**

**P** 1800 222 071

**W** [twusuper.com.au](http://twusuper.com.au)

**TWUSUPER  
GPO Box 779  
MELBOURNE VIC 3001**

**The team can help you with:**

- > account balances
- > updating your details
- > arranging insurance cover
- > filling out forms, and
- > arranging a face-to-face meeting and/or advice appointment.

From time to time, we may need to contact you about your super with us. Where you provide us with your email address, we may choose to communicate with you electronically via email and Member Online.

# TWUSUPER can help you with financial advice\* no matter where you are along life's journey...



As a TWUSUPER member you can get financial advice about your TWUSUPER account. For straight-forward matters such as investment choice and contributions, there is no extra cost to use this service – the cost is included in the fees that apply to all super accounts.

And if you're ready to take a closer look at your options as you get closer to retirement, you can get financial advice about starting or adjusting a TransPension account as well as 'retirement health check' projections that detail how you

are tracking towards a better retirement. There is no charge for an initial appointment and you will be provided with an obligation free quote before deciding whether to proceed.

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**We're here and ready to help, so  
phone us on 1800 222 071.**



TSR3467.4

## SuperRatings does not issue, sell, guarantee or underwrite this product.

The information in this document forms part of the TWUSUPER Product Disclosure Statement (PDS) issued on 1 August 2022 by TWU Nominees Pty Limited ABN 67 002 835 412 AFSL 239163 (Trustee). The PDS is available at [twusuper.com.au/pds](https://twusuper.com.au/pds). TWU Nominees Pty Ltd is the trustee of TWUSUPER (ABN 77 343 563 307) ('the Fund'). The information in this document is to be distinguished from other 'referenced' information which is referred to in the PDS but is not expressly part of the PDS.

This document, together with other guides and documents, describes in simple terms the significant information for TWUSUPER. They provide information for both existing and prospective members.

Any reference in this document to 'financial adviser' means a licensed or appropriately authorised financial adviser.

The information in this document should be read carefully. It contains general information only and does not take into account any person's individual financial objectives, financial situation or needs. Before acting on any information in this document, you should consider the appropriateness of the information having regard to your objectives, financial situation and needs. You should consider the PDS (including all 'referenced' information) before making any decision about TWUSUPER. We recommend that you speak to your financial adviser or contact TWUSUPER to speak to a financial adviser if you need help in making an investment decision. The information in this document is up to date at the time of its preparation. Legislative and other changes after the time of preparation may affect the accuracy of some of the information contained in it.

\*The Trustee has engaged Industry Fund Services Limited (IFS) ABN 54 007 016 195, AFSL No 232514 to facilitate the provision of financial advice to members of TWUSUPER (Fund). Advice is provided by TWUSUPER financial advisers who are representatives of IFS. Fees may apply. Further information about the cost of advice is set out in IFS' Financial Services Guide, a copy of which can be obtained by calling 1800 222 071. IFS is responsible for any advice given to you by its representatives.

The cost of providing certain phone-based financial advice services is incorporated into the fees that are applicable to all super accounts. Fees for comprehensive financial advice provided to you either over the phone or face-to-face are charged to you directly and will be set out in your Statement of Advice.

This document was prepared and issued by the Trustee.