

# Product Disclosure Statement Part 2 for Sub-Plan B members

## Fees and Other Costs Book Issue Number 4

Dated 1 July 2008

The Trustee of the Australian Eligible Rollover Fund (ABN 81 932 639 940, RSE R1067750) and issuer of this Product Disclosure Statement is Perpetual Superannuation Limited.

ABN 84 008 416 831  
AFSL 225246  
RSE L0003315

This document forms part of a Product Disclosure Statement which consists of two parts:  
Part 1 – Features Book  
(which is enclosed with this document) and  
Part 2 – Fees and Other Costs Book.



AUSTRALIAN ELIGIBLE  
ROLLOVER FUND  
SUB-PLAN

# B

Perpetual  
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JACQUES MARTIN  
Administration and Consulting Pty Ltd

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## Contact details

### **Australian Eligible Rollover Fund (AERF)**

#### **Trustee**

Perpetual Superannuation Limited  
ABN 84 008 416 831  
AFSL 225246  
RSE L0003315  
GPO Box 4172  
Sydney NSW 2001

The Trustee is responsible for ensuring that the AERF is properly administered in accordance with the Trust Deed. The Trustee also ensures the AERF complies with relevant legislation, that members' benefits are correctly calculated and members are informed about the operation of the AERF.

#### **AERF Administrator**

Jacques Martin Administration and Consulting Pty Ltd  
ABN 24 006 787 748  
AFSL 235037

The Trustee has appointed Jacques Martin Administration and Consulting Pty Ltd (AERF Administrator) to assist the Trustee in the day-to-day care of members' accounts and for keeping members fully informed about their benefits.

If you have an enquiry regarding your account or the AERF, please contact the AERF Administrator (see details below).

The Australian Eligible Rollover Fund  
Jacques Martin Administration and Consulting Pty Ltd  
Locked Bag 5429  
Parramatta NSW 2124  
Telephone: 1800 677 424 – between 8.30am and 5.00pm (Sydney time)  
Monday to Friday  
International callers: +61 2 9947 4013  
Fax: 02 9947 4411  
Email: [aerfenquiries@perpetual.com.au](mailto:aerfenquiries@perpetual.com.au)

## About this Product Disclosure Statement

This Product Disclosure Statement (PDS) is provided in two parts:

- **Part 1** (Features Book) contains general fund information regarding your membership in the AERF.
- **Part 2** (Fees and Other Costs Book) contains specific information regarding fees and other costs for Sub-Plan B of the AERF.

You are a member of Sub-Plan B as the original transfer value from your previous fund was equal to or greater than \$1,000.

You should read Part 1 and Part 2 of the PDS carefully. If you have not received both parts, please contact the AERF Administrator – the contact details are on page 2.

## Fees and other costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund 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 may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask us or your financial adviser.

### To find out more

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a superannuation fee calculator to help you check out different fee options.

## Fees and other costs

This document shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole.

Tax information, including goods and services tax (GST) is set out on page 12 of PDS Part 1. Unless otherwise stated, all fees and other costs disclosed in this PDS are inclusive of the net effect of GST.

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

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the Fund</b>	
<b>Establishment fee:</b> The fee to open your investment.	Nil
<b>Contribution fee:</b> The fee on each amount contributed to your investment – either by you or your employer.	Nil
<b>Withdrawal fee<sup>1,2</sup>:</b> The fee on each amount you take out of your investment.	\$33.97
<b>Termination fee:</b> The fee to close your investment.	Nil
<b>Management costs<sup>3</sup></b>	
The fees and costs for managing your investment.	
<b>Issuer fee<sup>1</sup>:</b>	0.175% pa of the gross value of the AERF
	+
<b>Investment management fee<sup>4</sup>:</b> The fee paid to the appointed investment managers for managing the AERF's investments.	0.64% pa (this is the estimated weighted average of all investment management fees paid by the AERF)
	+
<b>Administration fee<sup>1,2</sup>:</b> The fee for the administration of your membership.	<b>Lost members</b> or <b>Other members</b> \$0.23 per week      \$0.26 per week
	+
<b>Expense recoveries:</b> A reimbursement to the Trustee and AERF Administrator to cover the AERF's normal operating expenses.	0.15% pa (this is an estimated amount, including member protection costs)

## How and when paid

Not applicable.

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Not applicable.

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This fee is deducted directly from your member account balance before your benefit entitlement is paid. These fees are paid to the AERF Administrator within 28 days of the end of each calendar quarter.

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Not applicable.

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The issuer fee is deducted from the gross investment returns at the end of the financial year before earnings are allocated to member accounts. The issuer fee is payable to the Trustee within 28 days of the end of each calendar quarter.

This fee is deducted from the gross investment returns of each underlying investment before earnings are allocated to member accounts. As investments are valued daily, fees are also deducted on a daily basis.

Administration fees are calculated weekly, deducted from each member's account annually and upon exit from the AERF and paid to the AERF Administrator within 28 days of the end of each calendar quarter.

Expense recoveries are deducted from the gross investment returns at the end of the financial year before earnings are allocated to member accounts.

Type of fee or cost	Amount
<b>Service fees<sup>5</sup></b>	
<b>Investment switching fee:</b> The fee for changing investment options.	Nil

1. This fee is exclusive of GST. An additional 10% GST is deducted from the gross investment returns each quarter before returns are allocated to member accounts.
2. The withdrawal fee and administration fee may be indexed annually according to movements in the Consumer Price Index (CPI). These above figures are as at 2008/2009 financial year. These fees are subject to member benefit protection – see 'member benefit protection costs' on page 8 for further information.
3. Further details of management costs are set out below.
4. Fee is inclusive of 10% GST.
5. No adviser services fees or commissions are paid from the AERF.

## Additional explanation of fees and costs

### Management costs

The management costs are:

- the issuer fee
- the investment management fee
- the administration fee
- expense recoveries and
- member benefit protection costs (if applicable).

The management costs exclude the fees and costs detailed under 'Other fees and costs' on page 8.

### Issuer fee

The Trustee currently receives an issuer fee of 0.175% per annum each quarter for overseeing the AERF's operations, subject to a minimum of \$25,000 per annum in accordance with movements in the CPI.

## How and when paid

Not applicable.

**Investment management fee**

Fees and expenses are payable to the AERF's appointed investment managers for managing the AERF's underlying investments. As at the date of this PDS, the estimated weighted average investment management fee is 0.64% per annum of the total funds invested. These fees are deducted from the gross investment returns of each underlying investment before that income is received by the AERF.

**Administration fee**

The AERF Administrator receives an administration fee for the general administration of your membership. This fee is calculated on a weekly basis and deducted from your member account balance annually and upon your exit from the AERF.

In special circumstances, such as periods of poor market performance which result in negative investment returns, the Trustee has the discretion to deduct all administration costs (including administration fees normally deducted from members' accounts) from the gross earnings of the AERF before earnings are allocated to members' accounts. This can result in the erosion of a member's interest in the AERF.

**Expense recoveries**

Expense recoveries represent a reimbursement to the Trustee and the AERF Administrator from the AERF to cover the normal operating expenses (such as audit costs, legal fees, APRA levies and marketing costs) incurred in connection with the proper performance of both our and the AERF Administrator's duties and obligations in the day to day operation of the AERF. There is no limit in the AERF's Trust Deed on the amount that we or the AERF Administrator can charge for expense recoveries. Expense recoveries don't include abnormal operating expenses that are detailed under 'Other fees and costs' below.

**Member benefit protection costs**

One of the requirements of an ERF is to treat all members as protected members. The Trustee cannot charge administration and withdrawal fees against the minimum benefits component of a protected member's benefits which will exceed the investment earnings of the minimum benefits for a given reporting period. In circumstances where this occurs, the amount of the administration and withdrawal fees charged in excess of investment earnings must be refunded to the member's account – this refund is called a 'Member Protection Rebate'.

Member benefit protection costs are deducted from the earnings of the AERF annually, regardless of investment returns, before determining the annual earnings rate.

**Other fees and costs**

The following fees and costs are not included in the management costs listed in the 'Fees and other costs' table on page 4 of this PDS Part 2.

**Abnormal operating expenses**

These charges represent a reimbursement to the Trustee from the AERF to cover the abnormal operating expenses incurred by us in connection with performing our duties and obligations in overseeing the AERF's operations.

These abnormal operating expenses are not generally incurred in the day to day operation of the AERF and are not necessarily incurred in any given year. They are due to abnormal events such as costs associated with any court proceedings, arbitration, dispute or claim concerning the AERF or convening any meetings with any actual or prospective contributor, trustee of a fund or policy committee.

**Trustee hourly fee**

We are also entitled to fees at a rate of \$150 per hour (as at 1 July 2008) for undertaking certain activities, including:

- preparing and distributing periodical reports or other documents
- identifying and locating members and
- determining who may be entitled to the benefit on the death of a member.

This fee is indexed quarterly to CPI and is exclusive of GST, which is deducted separately from the gross investment returns at the end of each quarter.

**Government charges**

Government charges will be applied to your account as appropriate.

**Increase or alteration of the fees**

Where applicable we have disclosed the maximum fees payable for each item. Fees may increase or decrease for many reasons including changes in the competitive, industry or regulatory environment or for changes in costs. We will not increase fees without providing at least 30 days' prior written notice to you except in respect of government fees and charges. Notice will not be provided for increases in investment management fees and other costs for the underlying investments as these are incurred in the day to day operations of the appointed investment managers.

## Example of annual fees and costs

This table provides an example of how the fees and costs in the AERF can affect your superannuation investment over a 1 year period. You should use this table to compare this product with other superannuation products.

Example – AERF Sub-Plan B	
Contribution fees	Nil
<b>PLUS</b> Management costs	<p><b>Lost members</b> 0.965% pa<sup>2</sup> + \$11.96 (\$0.23 per week)</p> <p><b>Other members</b> 0.965% pa<sup>2</sup> + \$13.52 (\$0.26 per week)</p>
<b>EQUALS</b> Cost of Fund	

1. We have assumed a constant value.
2. The percentage is an estimate based on the value of the issuer fee (0.175%) as well as estimated expense recoveries of 0.15% plus an estimated average investment management fee of 0.64% for the 2008/2009 financial year. This amount, which includes (if applicable) any costs of providing member benefit protection in Sub-Plan B, will vary each year.
3. Additional fees may apply:
  - If you make a withdrawal from the AERF, you will also be charged a **withdrawal fee** of \$33.97.
  - If you exit the AERF, you will also be charged any accrued **administration fees**.

Lost member with a balance of \$50,000 <sup>1</sup>	Other members (active) with a balance of \$50,000 <sup>1</sup>
For every \$5,000 you put in, you will be charged \$0.	For every \$5,000 you put in, you will be charged \$0.
<b>And</b> , for every \$50,000 you have in the fund you will be charged \$482.50 each year plus \$11.96 in administration fees regardless of your balance.	<b>And</b> , for every \$50,000 you have in the fund you will be charged \$482.50 each year plus \$13.52 in administration fees regardless of your balance.
If you are a lost member with a balance of \$50,000, then for that year you will be charged fees of <b>\$494.46<sup>3</sup></b> .	If you are an active member with a balance of \$50,000, then for that year you will be charged fees of <b>\$496.02<sup>3</sup></b> .

## Enquiries

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