

DEFINED FEES

30 JUNE 2019

The information in this document forms part of Product Disclosure Statement (**PDS**) issue number 6 dated 30 June 2019 for the Perpetual MySuper (**MySuper**) and should be read in conjunction with the PDS.

It contains fee definitions that are used in MySuper.

TYPE OF FEE	DEFINITION
Activity fees	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 fees	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 fees	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 spreads	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 fees	An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.

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Indirect cost ratio

The *indirect cost ratio (ICR)*, 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.

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

Investment fees

An *investment fee* is a fee that relates to the investment of the assets of a 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; 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 not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Switching fees

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 a superannuation entity from one class of beneficial interest in the entity to another.

The definition of insurance fee in relation to MySuper is:

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, 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 activity fee or an advice fee.

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