

Perpetual

SELF MANAGED SUPER FUND SERVICE

DEFINED FEES

Important notes

The information in this document forms part of the Administration Service Guide and Financial Services Guide issue number 11 dated 3 June 2019 (Guide) for the Perpetual Self Managed Super Fund (SMSF) Service and should be read in conjunction with the Guide.

It contains fee definitions for the SMSF.

TYPE OF FEE

SIS 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 exit fee, an advice fee or an insurance fee.

Administration fees

An **administration fee** is a fee that relates to the administration or operation of a 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 exit 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, 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.

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 fees	An exit fee is a fee to recover the costs of disposing of all or part of members' interest in a superannuation entity.
Indirect cost ratio	<p>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.</p> <p>Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.</p>
Investment fees	<p>An Investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <p>(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and</p> <p>(b) costs that relate to the investment of assets of the entity, other than:</p> <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 not 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.
Switching fee	A switching fee 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 a superannuation entity from one investment option or product in the entity to another.

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