



Fees and costs

VicSuper FutureSaver Member Guide

The information in this document forms part of the *VicSuper FutureSaver Product Disclosure Statement (PDS)* dated 1 July 2020. It is based on laws that were current at 1 June 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 (www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

* This wording is required by law. Our fees and costs are not negotiable.

Fees and other costs

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 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. Entry fees and exit fees cannot be charged. Taxes, insurance fees and other costs are set out in another part of this document. You should read all the information about fees and other costs because it is important to understand their impact on your investment. The fees and other costs for each investment option offered by us are set out below.

VicSuper's FutureSaver

Type of fee or cost	Amount	How and when paid
Investment fee ^{1,3}	Ranges between 0% pa and 0.32% pa (estimated)	The investment fee accrues daily and is included in the calculation of the unit prices which determines your investment returns. It is not deducted directly from your account.
Administration fee ¹		The administration fee and account-keeping fee are deducted from your account at the end of each month in arrears. These fees are capped at a combined total of \$125 per month per account.
Account-keeping fee	\$1.50 per week <i>plus</i>	
Administration fee	0.19% pa	
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Advice fees	Nil	No advice fee is charged for providing general and simple advice limited to your account.
Relating to all members investing in a particular investment option		
Other fees and costs ²	Comprehensive financial advice	Additional fees may be paid to a financial planner. The fees will depend on the complexity of the advice you are seeking. If you obtain complex financial advice from a planner in our financial planning business, you will be informed of the cost before you proceed. If you are issued with a statement of advice, it will contain details of the fees, which may be deducted from your account when the advice is received (or you may need to pay the fee directly).
Indirect cost ratio (ICR) ^{1,3}	Ranges between 0% pa and 0.54% pa (estimated)	The ICR accrues daily and is included in the calculation of unit prices which determines your investment returns. It is not deducted directly from your account.

1. If your account balance for a product offered by us is less than \$6,000 at the end of our income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of your account balance. Any amount charged in excess of that cap must be refunded.
2. For more information, please see 'Financial planning' on page 5.
3. The investment fees and ICR are based on the estimated investment related costs that these investment options incurred in the Victorian Superannuation Fund for the 12 months ended 30 June 2020. Actual investment fees and indirect costs may vary depending on the fees and costs incurred by us in managing the investment option, and cannot be estimated precisely in advance. The figures disclosed are based on historical information provided to us by the former trustee of the Victorian Superannuation Fund. It is anticipated that the investment fees and ICRs incurred in the 2020/21 financial year will change as a result of the transfer of the products to the Fund and a restructure of the underlying investment portfolios and associated reduced fee and cost structures. If it becomes apparent that actual costs will differ materially the estimates will be updated.

Additional explanation of fees and costs

Defined fees

Type of fee or cost	Definition	How it applies to your VicSuper FutureSaver
Activity fees	<p>A fee is an activity fee if:</p> <p>(a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:</p> <p>(i) that is engaged in at the request, or with the consent, of a member; or</p> <p>(ii) that relates to a member and is required by law; and</p> <p>(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.</p>	We do not charge activity fees.
Administration fees	<p>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:</p> <p>(a) borrowing costs; and</p> <p>(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 [OR the trustees] of the entity or in an interposed vehicle or derivative financial product; and</p> <p>(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.</p>	<p>The administration fees applicable to your VicSuper FutureSaver are:</p> <ul style="list-style-type: none"> • The account-keeping fee (\$1.50 per week) <i>plus</i> • The administration fee (0.19% pa) <p>See Administration and account-keeping fees on page 5 for further information.</p>
Advice fees	<p>A fee is an advice fee if:</p> <p>(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:</p> <p>(i) a trustee of the entity; or</p> <p>(ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and</p> <p>(b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.</p>	<p>You will only be charged an advice fee if you agree to receive personal financial advice from one of our financial planners. The fees will be discussed and agreed with you at that time.</p> <p>See Financial planning on page 5 for further information.</p>
Buy-sell spreads	<p>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.</p>	<p>We do not charge buy-sell spreads.</p> <p>See Transactional and operational costs on page 6 for further information.</p>
Indirect cost ratio	<p>The indirect cost ratio (ICR), for an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the superannuation entity attributed to the investment option.</p> <p>Note: A fee deducted directly from a member's account or paid out of the superannuation entity is not an indirect cost.</p>	<p>The indirect cost ratio applicable to your VicSuper FutureSaver account ranges between 0% and 0.54% pa (estimated).</p> <p>See Indirect cost ratio (ICR) on page 5 for further information.</p>

Type of fee or cost	Definition	How it applies to your VicSuper FutureSaver
Investment fees	<p>An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <ul style="list-style-type: none"> (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: <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 [OR the trustees] 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; <p>but does not include property operating costs.</p>	<p>The investment fees are based on the estimated investment related costs that these investment options incurred in the Victorian Superannuation Fund for the 12 months ended 30 June 2020.</p> <p>Actual investment fees vary depending on the fees and costs incurred by us in managing the investment option and cannot be estimated precisely in advance.</p> <p>See the section on Investment fees on page 5 for further information.</p>
Insurance fees	<p>A fee is an insurance fee if:</p> <ul style="list-style-type: none"> (a) the fee relates directly to either or both of the following: <ul style="list-style-type: none"> (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. 	<p>Our costs in relation to the administration of insurance benefits and claims is covered by the administration fee structure.</p> <p>We offer death, death and total and permanent disability and income protection insurance cover.</p> <p>For details on the premiums charged for each type of cover, see Member guide <i>Insurance in your super</i> on our website vicsuper.com.au/memborguide</p>
Switching fees	<p>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 to another.</p> <p>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.</p>	<p>We do not charge a switching fee.</p>

Low account balance fee cap

The Federal Government has introduced measures to stop fee erosion for members with low account balances.

If your account balance in the VicSuper FutureSaver product is less than \$6,000 at the end of our income year (which runs from 1 July to 30 June), the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of your account balance. Any amount charged in excess of that cap will be credited back to your account.

If you close your account during the year, the fee cap (if applicable) will apply for the number of days during the year you had the account.

Administration and account-keeping fees

The administration fee and account-keeping fee are deducted from your account balance at the end of each month.

The combined fees are capped at a maximum of \$125 per month per account. Additionally, a low account balance fee cap applies. See section above.

Changes to fees

All fees and costs may be revised by us from time to time without your consent. For example, fees and costs may increase when there are changes in superannuation law.

We will give you at least 30 days’ prior notice if there is an increase in fees and costs or if a new fee or cost is introduced that affects your account. This excludes investment fees and ICR related costs which are estimates and the actual fees may be more or less than estimated.

Financial planning

Our members have access to financial advice.¹ The fees charged for personal advice about your super account are detailed as follows:

Service	Personal advice limited to your interest in your super account.
Details	Single issue advice about investment choice, voluntary contributions, insurance and starting an income stream (Limited circumstances).
Fee	No separate charge. We pay a fee to provide a limited advice service to all members. The cost of providing this service is covered by the administration fees.

If you obtain complex financial advice about your account, the fee for this advice will depend on the scope and complexity of the advice and may be deducted from your account when the advice is received, or you may need to pay for the advice directly. You will be informed of the fee before you proceed. If you are issued with an advice document, it will contain details of the fees. We do not pay any commissions to our financial planners.

Investment fees

The investment fees represent the estimated investment-related costs incurred by us for investing your superannuation. It includes fees paid to external investment managers, investment consulting fees, custodian costs and internal costs relating to investment management.

The investment fee is factored into the calculation of unit prices for each investment option.

Table A (on page 7) shows estimates of the Fund’s investment fees per investment option based on the estimated investment related costs that these investment options incurred in the Victorian Superannuation Fund for the 12 months ended 30 June 2020. Actual investment fees vary depending on the fees incurred by us in managing the investment option, and cannot be estimated precisely in advance.

Caps on these fees may apply for some members. Refer to ‘Low account balance fee cap’ section on this page.

Indirect cost ratio (ICR)

The ICR represents the estimated investment-related costs for investing your super. It includes costs in relation to ‘interposed vehicles’ (defined on page 6).

The ICR is factored into the calculation of unit prices for each investment option.

Table A (on page 7) includes estimates of the Fund’s ICR per investment option based on the estimated investment related costs that these investment options incurred in the Victorian Superannuation Fund for the 12 months ended 30 June 2020. The actual ICR may vary depending on the fees and costs incurred by us in managing the investment option, and cannot be estimated precisely in advance.

Caps on these fees may apply for some members. Refer to ‘Low account balance fee cap’ section on this page.

1. Seek professional financial advice, consider your own circumstances and read this PDS before making a decision about investing in the VicSuper FutureSaver product. Contact us to make an advice appointment. Advice is provided by State Super Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430) (‘StatePlus’), our financial planning business which is wholly owned by us. You should read the StatePlus Financial Services Guide before making a decision. For more information call (03) 9667 9200.

Performance-related fees

We do not deduct any performance fees from member accounts. However, some of the external managers of the unlisted trusts that we invest in may charge a performance-related fee that is payable when the manager's investment performance exceeds a specified benchmark.

These are included in the investment fee and the ICR and are indirectly borne by members who are invested in that investment option.

The amount of performance-related fees payable is dependent on the individual arrangement we have with the relevant managers.

The actual performance-related fees are taken into account when calculating the unit price of each investment option (where applicable).

Table B (on page 8) shows estimates of the Fund's performance fees per investment option based on the estimated performance-related fees that these investment options incurred in the Victorian Superannuation Fund for the 12 months ended 30 June 2020. The actual performance fees may vary from year to year and cannot be estimated precisely in advance.

Transactional and operational costs

These are costs incurred in the management of our investments, in particular, the acquiring and disposing of assets. Such costs include brokerage, buy-sell spreads (for some investments held by us), settlement costs, clearing costs and government duties.

Most of these costs are already included as part of the investment fee and indirect cost ratios for each investment option. Certain implicit costs (representing the difference between the bid price and the ask price for certain securities) represent an additional cost to you because they have not already been included in calculating investment fees or ICR's

The actual implicit transaction costs are taken into account when calculating the unit price of each investment option (where applicable).

Table B (on page 8) shows estimates of the Fund's transactional and operational costs per investment option based on the estimated transactional and operational costs that these investment options

incurred in the Victorian Superannuation Fund for the 12 months ended 30 June 2020. The actual cost may vary from year to year and cannot be estimated precisely in advance.

Property operational costs

Property operational costs are transactional and operational costs that 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 year ending 30 June 2020 are set out in Table B (on page 8) and are based on the estimated property operational costs that these investment options incurred for the 12 months ended 30 June 2020 in the Victorian Superannuation Fund.

The costs for the current period may vary from these amounts and cannot be estimated precisely in advance.

Property operational costs have not been included in costs disclosed in the investment fees or indirect cost ratios that Table A (on page 7) shows for each investment option.

These property operational costs are an additional cost to investors.

Borrowing costs

Borrowing costs are the costs relating to any credit facility used within an invested interposed vehicle. These costs are recovered from revenues of the interposed vehicle before the distribution of earnings, and therefore, in effect, are reflected in the unit prices through the valuation of the interposed vehicle.

Table B (on page 8) shows estimates of the Fund's borrowing costs per investment option based on the estimated borrowing costs that these investment options incurred in the Victorian Superannuation Fund for the 12 months ended 30 June 2020. The actual cost may vary from year to year and cannot be estimated precisely in advance.

Reserves

We maintain an administration reserve to pay the costs associated with the management of the Fund. Interest earned on contributions and rollover amounts received by us, but not yet allocated to members' accounts and administration fees deducted from members' accounts, are credited to the Fund's administration reserve account. We use this account to pay administration and operating expenses of the Trustee or Fund. Any excess retained in the account is ultimately applied for the benefit of the membership as a whole.

We are required to maintain an Operational Risk Financial Requirement (ORFR) reserve. The ORFR reserve is held separately from members' accounts and the administration reserve. The ORFR reserve is only used to cover losses arising from operational issues.

Interposed vehicles

We offer members investment opportunities into funds they may not be able to access as an individual, which allows for greater access to a broader asset pool.

These underlying investments often have costs associated with them.

If these investments meet ASIC's definition of an 'interposed vehicle', we are required to disclose the costs associated with these underlying investments. We have disclosed them as indirect costs.

A vehicle such as an unlisted property trust may be an interposed vehicle if it is invested in as a means of gaining exposure to property as part of a balanced option's asset allocation to property.

Taxes

Certain taxes apply to your super benefit and contributions made to your account.

The tax rate on each investment option is incorporated into the calculation of the unit price for each investment option, except for term deposits where the tax is incorporated into the maturity proceeds of the term deposit. See the section on unit prices in *Member Guide* 'How we invest your money' for information about our unit prices.

At 30 June, 31 December and the date of your exit, your account balance may be increased for the benefit of a tax deduction on insurance premiums (where applicable) for the benefit statement period or period to date of exit, to the extent of contributions tax charged during the period.

Table A:

Estimated investment fees and costs¹ per investment option for the 2020/21 financial year

Investment option	Investment fee (estimated pa) ¹	Indirect cost ratio (estimated pa) ¹	Total	Estimated total investment fees and costs expressed as \$ per \$50,000
Cash	0.02%	0.00%	0.02%	\$10
Term Deposit	0.00%	0.00%	0.00%	NIL
Capital Secure	0.14%	0.23%	0.37%	\$185
Capital Stable	0.18%	0.39%	0.57%	\$285
Balanced	0.21%	0.45%	0.66%	\$330
Socially Conscious	0.15%	0.45%	0.60%	\$300
Growth (MySuper)	0.23%	0.54%	0.77%	\$385
Equity Growth	0.30%	0.42%	0.72%	\$360
Australian Shares	0.32%	0.00%	0.32%	\$160

1. The investment fee and ICR shown are based on the estimated investment related costs that these investment options incurred in the Victorian Superannuation Fund for the 12 months ended 30 June 2020. Actual investment fees and indirect costs may vary and will depend on the actual fees, costs and taxes incurred by the Trustee in managing the investment option(s). They cannot be estimated precisely in advance. The figures disclosed are based on historical information provided to us by the former trustee of the Victorian Superannuation Fund. It is anticipated that the investment fees and ICRs incurred in the 2020/21 financial year will change as a result of the transfer of the products to the Fund and a restructure of the underlying investment portfolios and associated reduced fee and cost structures. If it becomes apparent that actual costs will differ materially the estimates will be updated. **These fees are not deducted directly from your account.** Caps on these fees may apply for some members. Refer to 'Low account balance fee'.

Table B:

Estimated transactional & operational costs, property operational costs, performance-related fees and borrowing costs per investment option for the 2020/21 financial year¹

Investment option	Transactional and operational costs (estimated pa)	Property operational costs (estimated pa) (These costs are not included in the investment fee or ICR)	Performance-related fees (estimated pa) (These costs are included in the investment fee or ICR)	Borrowing costs (estimated pa) (These costs are not included in the investment fee or ICR)
Cash	0.01% (of which 0.01% has not been included in the investment fee and/or ICR)	0.00%	0.00%	0.00%
Term Deposit	0.00%	0.00%	0.00%	0.00%
Capital Secure	0.22% (of which 0.07% has not been included in the investment fee and/or ICR)	0.06%	0.01%	0.05%
Capital Stable	0.34% (of which 0.15% has not been included in the investment fee and/or ICR)	0.08%	0.05%	0.06%
Balanced	0.42% (of which 0.21% has not been included in the investment fee and/or ICR)	0.08%	0.07%	0.06%
Socially Conscious	0.30% (of which 0.09% has not been included in the investment fee and/or ICR)	0.09%	0.07%	0.06%
Growth (MySuper)	0.49% (of which 0.26% has not been included in the investment fee and/or ICR)	0.08%	0.11%	0.06%
Equity Growth	0.50% (of which 0.38% has not been included in the investment fee and/or ICR)	0.00%	0.14%	0.00%
Australian Shares	0.56% (of which 0.48% has not been included in the investment fee and/or ICR)	0.00%	0.00%	0.00%

1. The transactional and operational costs, property operational costs, performance-related fees and borrowing costs are based on the estimated transactional and operational costs, property operational costs, performance-related fees and borrowing costs that these investment options incurred in the Victorian Superannuation Fund for the 12 months ended 30 June 2020. Actual amounts may vary and will depend on the actual fees, costs and taxes incurred by the Trustee in managing the investment option(s). They cannot be estimated precisely in advance. The figures disclosed are based on historical information provided to us by the former trustee of the Victorian Superannuation Fund. It is anticipated that the transactional and operational costs, property operational costs, performance-related fees and borrowing costs incurred in the 2020/21 financial year will change as a result of the transfer of the products to the Fund and a restructure of the underlying investment portfolios and associated reduced fee and cost structures. If it becomes apparent that actual costs will differ materially the estimates will be updated.

Get in touch – we're here to help

Call our Member Centre

1300 366 216 (from outside Australia **+61 3 9667 9875**)

and speak to a super consultant between
8.30am and 5pm, Monday to Friday

To make an appointment to see one of our
financial planners call **(03) 9667 9200**

Send us a fax

(03) 9667 9610

Write to us

VicSuper Team
First State Super
GPO Box 89
MELBOURNE VIC 3001

Browse our website

vicsuper.com.au

Download our app

vicsuper.com.au/mobileapp

Manage your account online

Simply visit our website to login

Issued by FSS Trustee Corporation (ABN 11 118 202 672, AFSL 293340) the trustee of the First State Superannuation Scheme (ABN 53 226 460 365). This Member Guide has been prepared by FSS Trustee Corporation (referred to in this document as the 'Trustee', 'we', 'us', 'our'), the trustee of the First State Superannuation Scheme (referred to as 'First State Super' or 'the Fund'). VicSuper is a division of the Fund which includes the VicSuper FutureSaver product. The Fund is governed by a trust deed ('Trust Deed') as amended from time to time. For a copy of the Trust Deed see **vicsuper.com.au/trustdeed** or alternatively, you can contact the Member Centre on **1300 366 216**.

VicSuper FutureSaver was previously a product in the Victorian Superannuation Fund. It is now offered by the Trustee as a result of the transfer of all members and assets in the Victorian Superannuation Fund to the Fund on 1 July 2020. The Victorian Superannuation Fund no longer exists as a separate fund.

This publication contains general information only and does not take into account your specific objectives, financial situation or needs. Seek professional financial advice, consider your own circumstances and read the VicSuper FutureSaver product disclosure statement before making a decision about investing in the VicSuper FutureSaver product. Contact us to make an advice appointment. Advice is provided by State Super Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430) ('StatePlus'), our financial planning business which is wholly owned by us. You should read the StatePlus Financial Services Guide before making a decision. For more information call the Member Centre on **1300 366 216**.

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