



Fees and costs

VicSuper FutureSaver Member Guide

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The information in this document forms part of the *VicSuper FutureSaver Product Disclosure Statement (PDS)* dated 1 November 2021.

Issued by Aware Super Pty Ltd (ABN 11 118 202 672, AFSL 293340) the trustee for Aware Super (ABN 53 226 460 365). This Member Guide has been prepared by Aware Super Pty Ltd (referred to in this document as the 'Trustee', 'we', 'us', 'our'), the trustee for Aware Super (referred to as 'Aware 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](https://www.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 and target market determination before making a decision about investing in the VicSuper FutureSaver product. Contact us to make an advice appointment. Advice is provided by Aware Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430), our financial planning business which is wholly owned by us. You should read the Aware Financial Services Australia Limited Financial Services Guide before making a decision. For more information call the Member Centre on **1300 366 216**.

The information contained in this document is given in good faith and has been derived from sources believed to be reliable and accurate. No warranty as to the accuracy or completeness of this information is given and no responsibility is accepted by the Trustee or its employees for any loss or damage arising from reliance on the information provided. If there is an inconsistency between the information in this document and the terms of the Trust Deed, the Trust Deed will prevail.

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 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.

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 on the following page.

VicSuper's FutureSaver

Type of fee or cost	Amount	How and when paid
Investment fee ^{1,2}	An estimated percentage, depending on your investment option/s. Ranging from 0.00% to 1.02% pa (\$0 to \$510 per \$50,000)	Deducted from the assets of the option or the assets of underlying investment vehicles before the unit price for an investment option is determined.
Administration fee ¹		
Account-keeping fee	\$52 pa <i>plus</i>	The account keeping fee is calculated daily and deducted from your account monthly, or on exit.
Administration fee	0.15% pa capped at \$750 pa (\$62.50 per month) excluding the account-keeping fee.	The administration fee is calculated and deducted monthly based on the account balance at the end of the month. On exit, the fee is calculated based on the latest available balance and prorated on the number of days you were in the Fund that month.
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Advice fees Relating to all members investing in a particular MySuper product or investment option	Nil	No advice fee is charged for providing general and simple advice limited to your account.
Other fees and costs ³	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) ^{1,2}	Nil	All indirect costs are included in Investment fees.

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. Investment fees may vary from year to year and cannot be precisely calculated in advance. The Investment fees reflect the 0.04% per annum Trustee charge (applicable to the diversified options only) and an estimate of other components of investment fees for the 12 months to 30 June 2021 and include performance-related costs of 0.54% for Equity Growth, 0.49% for Growth and 0.43% for Balanced. While past costs are not a reliable indicator of future costs, performance-related costs were higher than average for these investment options in the 2020-21 financial year.
3. For more information, please see 'Financial planning' on page 8.

Additional explanation of fees and costs

Investment fees

Investment fees reflect a broad range of fees and costs associated with the purchase/sale and ongoing management of investments of the Fund and underlying investment vehicles. This includes fees paid to investment managers, as well as amounts paid to a variety of third parties such as our custodian, brokers and government authorities. These amounts are paid from the assets of the investment option before we calculate the unit price and are not deducted directly from your account.

Important: Apart from the Trustee charge, the investment fees shown below are indicative only and are based on the estimated fees and costs for each investment option for the 12 months to 30 June 2021.

Investment fees may vary from year to year and cannot be precisely calculated in advance. The amount you'll pay in future years will depend on the fees and costs incurred by the trustee in managing the investment option and the Trustee charge. Past costs are not a reliable indicator of future costs.

Table 1: Estimated Investment fees

Investment option	Investment-related costs	Performance-related costs	Transaction costs ¹	Other fees and costs	Trustee charge	Total investment fees
Equity Growth	0.30%	0.54%	0.08%	0.06%	0.04%	1.02%
Growth (MySuper)	0.28%	0.49%	0.07%	0.08%	0.04%	0.96%
Socially Conscious	0.23%	0.12%	0.09%	0.09%	0.04%	0.57%
Balanced	0.24%	0.43%	0.07%	0.07%	0.04%	0.85%
Capital Stable	0.20%	0.33%	0.05%	0.06%	0.04%	0.68%
Capital Secure	0.12%	0.10%	0.03%	0.06%	0.04%	0.35%
Australian Shares	0.08%	0.00%	0.02%	0.02%	0.00%	0.12%
Cash	0.02%	0.00%	0.00%	0.01%	0.00%	0.03%
Term Deposit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Additional information regarding the different components of Investment fees is provided on pages 6 to 8.

1. The amounts shown above reflect an estimate of explicit transaction costs only. An estimate of implicit transaction costs is shown in Table 2 on page 7.

Example of annual fees and costs for the Growth (MySuper) option

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

EXAMPLE - the Growth (MySuper) option		Balance of \$50,000
Investment fees ¹	0.96% pa (estimated)	For every \$50,000 you have in the Growth (MySuper) option you will be charged \$480 each year
PLUS Administration fees	Account-keeping fee \$52 pa Administration fee 0.15% pa ²	And , you will be charged \$52 in account-keeping fees regardless of your balance plus an administration fee of \$75
PLUS Indirect costs for the Growth (MySuper) option	0.00% pa	And , indirect costs of \$0 each year will be deducted from your investment
EQUALS Cost of product ³		If your balance was \$50,000, then for that year you will be charged fees of \$607 for the Growth (MySuper) option

This example is illustrative only. What it costs you will depend on the investment option you choose.

1. This amount reflects the Trustee charge and an estimate of other components of Investment fees for the 12 months to 30 June 2021, including performance-related costs of 0.49%. The amount you'll pay in future years will depend on the fees and costs incurred by the trustee in managing the investment option and the Trustee charge where applicable. While past costs are not a reliable indicator of future costs, performance-related costs were higher than average for the Growth option in the 2020-21 financial year.
2. The 0.15% Administration fee is subject to a cap of \$750 per annum.
3. Additional fees may apply.

Investment-related costs

Investment-related costs reflect fees paid to investment managers, as well as the costs of our investment team which is responsible for setting the Fund's investment strategy, overseeing the Fund's investment portfolios, and managing certain investments in house. These costs may be paid from the Fund or deducted from underlying investment vehicles. The estimated investment-related costs per option for the 12 months to 30 June 2021 are shown in Table 1 on page 5.

Performance-related costs

We don't directly deduct any performance-based fees from member accounts. However, we have performance fee arrangements with a number of external investment managers. These costs may be paid from the assets of the Fund or deducted from underlying investment vehicles and are subject to change without notice to you. The estimated performance-related costs per option for the 12 months to 30 June 2021 are shown in Table 1 on page 5.

A performance-related cost may be payable once performance above an agreed level has been reached and is typically capped at an upper percentage limit. If performance-related costs are payable by the Fund or an underlying investment this may increase the investment fees payable for that investment option. The method of calculation varies, but generally these fees are calculated as a percentage of the investment returns that exceed an

agreed level of return. Investment managers with performance-related fee arrangements are generally also paid a base management fee.

It is important to note that the amount of performance-related costs cannot be accurately predicted in advance. The actual amount of performance-related costs incurred in a particular financial year will depend on the allocation of our investment options to these investment managers and underlying investments, as well as the actual investment performance for the relevant year.

While past costs are not a reliable indicator of future costs, performance-related costs were higher than average for the Equity Growth, Growth and Balanced options in the 2020-21 financial year.

Transactional and operational costs

Transactional and operational costs are a broad category of costs that relate to the purchase/sale of the assets of the Fund or an underlying fund or other investment vehicle.

These costs are deducted from the assets of the Fund or the underlying investment vehicle, as relevant, when they are due and payable and are an additional cost to you.

Transactional and operational costs include both explicit and implicit costs. The amounts shown in Table 1 on page 5 reflect an estimate of all explicit transaction costs incurred for the 12 months to 30 June 2021.

Explicit transaction costs include, but are not limited to, the following:

- **Brokerage** – the amount paid to a broker when buying and selling securities, for example shares on a stock exchange. In some overseas markets stamp duty is also payable in relation to share transactions which we consider a part of brokerage. While brokerage is an additional cost of investing, as a large institutional investor, we are able to access wholesale brokerage rates which are generally cheaper than retail brokerage rates.
- **Clearing fees** – fees payable in relation to futures trades to a clearing house for facilitating settlement and reconciling orders between transacting parties (buyers and sellers).
- **Stamp duty** – a government tax paid on the legal transfer of property and certain other assets from one owner to another. As mentioned above, in certain countries stamp duty is payable in relation to equity transactions. However, the majority of the stamp duty incurred by the Fund relates to investments in direct property and infrastructure where stamp duty costs can be significant.
- **Commissions** – a percentage of the sale amount paid to a selling agent, for instance, when a direct property investment such as an office building is sold. Like stamp duty, commission amounts can be substantial.
- **Buy/Sell spreads** – a charge incorporated into the application (buy)/redemption (sell) unit price of an investment product to cover the costs of transacting. Investments in certain external funds may attract buy/sell spread charges.
- **Due diligence costs** – the costs associated with researching a potential investment, for example legal and advisory costs.

In addition to explicit costs, implicit transaction costs are embedded in the price of certain investments. Implicit costs include bid/offer spreads, which are the difference between the price a buyer is willing to pay (the bid price) and the price a seller is willing to accept (the ask price) for a particular security. Bid/offer spreads may be incurred when converting one currency to another, as well as when buying and selling listed equities and fixed income securities such as bonds.

For listed securities, implicit costs may also include market impact, which refers to the effect an investor can have on the price when buying or selling an asset: typically an upward effect when buying, or downward effect when selling. In general, highly liquid securities result in lower market impact costs than less liquid securities. Many of these implicit costs are estimates as they are not known with certainty.

An estimate of implicit transaction costs for the 12 months to 30 June 2021 is provided in Table 2 below which, together with the explicit transaction costs (see page 5), make up the total estimated transactional and operational costs.

Table 2: Estimated transactional and operational costs for the 12 months to 30 June 2021

Investment option	Estimated implicit transaction costs	Total estimated transactional and operational costs
Equity Growth	0.09%	0.17%
Growth (MySuper)	0.09%	0.16%
Socially Conscious	0.24%	0.33%
Balanced	0.10%	0.17%
Capital Stable	0.08%	0.13%
Capital Secure	0.06%	0.09%
Australian Shares	0.04%	0.06%
Cash	0.00%	0.00%
Term Deposit	0.00%	0.00%

Past costs are not a reliable indicator of future costs and the amount of transaction costs will vary from year-to-year depending on the type, size and frequency of transactions. In general, illiquid asset classes such as property and infrastructure tend to have higher transaction costs (for example stamp duty) compared to more liquid asset classes like equities and fixed income.

Other fees and costs

The amounts shown in Table 1 as 'Other fees and costs' on page 5 reflect a range of other expenses associated with the Fund's investments. This includes fees paid to the custodian to hold the assets of the Fund, as well as amounts paid to accounting/audit and tax specialists to assist with the reporting obligations of certain underlying investments.

It includes the costs associated with the Fund's securities lending program and estimated costs associated with the use of over-the-counter (OTC) derivatives which, rather than being traded on a listed financial market, are private contracts traded directly between two parties. For example, a number of foreign investments are hedged to the Australian dollar via the use of currency forward contracts, a type of OTC derivative. This helps minimise the impact of currency fluctuations on investment returns.

Trustee charge

A Trustee charge of 0.04% applies to the diversified options (i.e. the Equity Growth, Growth, Socially Conscious, Balanced, Capital Stable and Capital Secure options).

We will give you at least 30 days' notice, as required by law, before increasing the Trustee charge for any of the investment options.

Borrowing and property operating costs

Borrowing and property operating costs are an additional cost to you of investing in certain investment options. Borrowing costs include loan establishment costs and interest payments and are most significant for illiquid asset classes such as property and infrastructure where asset prices can be substantial. Property operating costs include a range of costs associated with managing property investments, for example council and water rates, utilities and lease renewal costs.

These costs are deducted from the income or assets of the Fund or an underlying investment vehicle, as relevant, when they are due and payable.

An estimate of borrowing and property operating costs for the 12 months to 30 June 2021 is provided in Table 3 below. Note that none of the VicSuper single asset class options or the Equity Growth option incurred borrowing costs or property operating costs for the period. It is important to note that past costs are not a reliable indicator of future costs and the amount of borrowing and property operating costs may vary from year to year.

Table 3: Estimated borrowing and property operating costs for the 12 months to 30 June 2021

Investment option	Estimated borrowing costs	Estimated property operating costs
Equity Growth	0.04%	0.03%
Growth (MySuper)	0.05%	0.04%
Socially Conscious	0.06%	0.05%
Balanced	0.06%	0.05%
Capital Stable	0.06%	0.05%
Capital Secure	0.04%	0.04%

Low account balance fee cap

The Federal Government has introduced measures to help prevent 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.

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	Details	Fee
Personal advice limited to your interest in your super account.	Simple advice about investment choice, voluntary contributions, insurance and starting an income stream (limited circumstances).	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.

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 or there are increases in fees charged by our service providers.

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 which are estimates only and may vary from year to year. However, we will give you at least 30 days' notice if there is an increase in the Trustee charge.

Reserves

We maintain an administration reserve which along with our operating capital is generally available to pay costs associated with the management of the fund. The administration reserve is funded from operating surplus from time to time and certain other sources (such as tax credits). Part of the administration reserve may also be used to fund a 'trustee fee', payable to the trustee under the trust deed for the duties and services that it performs. The trustee currently intends that any trustee fee paid would be used to help ensure its financial stability and to manage financial risks.

1. When members receive advice, they receive it under our financial planning business' own AFS licence. Our financial planning business is wholly owned by Aware Super Pty Ltd as trustee of the Fund. You should read their Financial Services Guide before making a decision. For more information call **1300 366 216**.

Tax

For information on the taxes applicable to your super, see Member Guide ‘How Super is Taxed’.

Tax rebates on your account

At 30 June, 31 December and the date of your exit, you receive a 15% rebate on amounts deducted from your account for 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. The tax benefit received by the Fund for administration and asset-based administration expenses is retained by the Fund.

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> <ul style="list-style-type: none"> (a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: <ul style="list-style-type: none"> (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. 	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> <ul style="list-style-type: none"> (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 [OR the trustees] 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. 	<p>The administration fee includes an account-keeping fee of \$52 per annum (\$4.33 per month) plus an administration fee of 0.15% per annum (\$75 per \$50,000).</p> <p>The administration fee component (0.15% per annum) is capped at \$750 per annum (\$62.50 per month).</p>
Advice fees	<p>A fee is an advice fee if:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. 	<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 8 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>

Type of fee or cost	Definition	How it applies to your VicSuper FutureSaver
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>	All indirect costs are included in the Investment fees shown on page 5.
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 fees and costs that the investment options incurred for the 12 months ended 30 June 2021 (other than the Trustee charge, which commenced from 1 November 2020).</p> <p>See 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>	We do not charge a switching fee.

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 **1300 366 216**

Send us a fax

(03) 9667 9610

Write to us

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Browse our website

vicsuper.com.au

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