



# Fees and 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 fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([moneysmart.gov.au](http://moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

\* Please note that fees in REI Super 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 are set out in the How super is taxed factsheet available on our website. Insurance fees and other costs relating to insurance are set out in the Insurance Guide, also available on our website. 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 MySuper product and other investment options offered by REI Super, are set out on page 2 and 3 in this document.

## Fees and costs

| Type of fee  | Amount  | How and when paid  |
|--|---|--|
| Investment fee <sup>1</sup>  | From 0.15% p.a. to 0.60% p.a. depending on the investment option (estimated).<br>See 'Additional explanation of fees and costs' for further details.    | These fees are not deducted directly from your account. They are deducted proportionately from the investment option and reflected in the weekly calculation of the unit prices.   |
| Administration fee <sup>1</sup>  | \$85.80 p.a. (\$1.65 per week) + 0.25% p.a.   | The dollar fee is deducted from your account balance monthly in arrears or on the date your account is closed.<br>The percentage fee is not deducted directly from your account. This fee is deducted proportionately from the investment option and reflected in the weekly calculation of the unit prices. |
| Buy/Sell spread  | <b>Buy spread</b> from 0.00% to 0.14% depending on the investment option.<br><b>Sell spread</b> from 0.00% to 0.14% depending on the investment option. | These amounts are not deducted directly from your account. They are charged each time units are bought or sold on your behalf and reflected in the weekly calculation of the unit prices.  |
| Switching fee  | Nil   | Not applicable.  |
| Advice fees relating to all members investing in the MySuper or other investment options | Nil   | See below.   |
| Other Fees and Costs <sup>2</sup>  | Various   | Deducted from your account, when applicable  |
| Indirect Cost Ratio <sup>1</sup>   | From 0.00% p.a. to 0.12% p.a. depending on the investment option (estimated).<br>See 'Additional explanation of fees and costs' for further details.    | These costs are incurred indirectly by our investment managers and are attributed to the investment option before the gross investment returns have been determined. They are reflected in the weekly calculation of unit prices.  |

1. If your account balance is less than \$6,000 at the end of REI Super's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

2. Activity fees, insurance fees and advice fees for personal advice may apply. See the 'Additional explanation of fees and costs' later in this document.

Past fees and costs may not be a reliable indicator of future fees and costs.



## Example of annual fees and costs

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

| Example – Balanced (MySuper option)                   |                                   | Balance of \$50,000   |
|---|-----------------------------------|---|
| Investment fees                                       | 0.58%                             | For every \$50,000 you have in the superannuation product you will be charged \$290 each year.                                |
| <b>PLUS</b><br>Administration fees                    | \$85.80 (\$1.65 per week) + 0.25% | <b>And</b> , you will be charged \$85.80 regardless of your account balance plus \$125 in administration fees each year.      |
| <b>PLUS</b><br>Indirect costs for the Balanced option | 0.12%                             | <b>And</b> , indirect costs of \$60 will be deducted from your investment each year.  |
| <b>EQUALS</b><br>Cost of product                      |                                   | If your balance was \$50,000, then for that year you will be charged fees of <b>\$560.80</b> for the superannuation product.* |

\*Please note: Additional fees may apply.

## Fee rebate

If your total account balance is over \$300,000, you will receive a Fee rebate on the portion of your account over \$300,000 as follows:

| Account balance       | Rebate (%) |
|-----------------------|------------|
| First \$300,000       | NIL        |
| Amount over \$300,000 | 0.28%      |

The fee rebate is calculated using your account balance in the Fund at the end of each month. It will be paid to your REI Super account by way of additional units in your account. If your super is invested in more than one investment option, your rebate will be paid proportionally across your investment options. The Trustee reserves the right to change the rebate level and the eligibility conditions at any time.

## Additional explanation of fees and costs

### Administration fee

These fees cover the general administration and management of the Fund, including the operations of the Trustee office, the costs associated with regulatory compliance, communications and marketing and access to Helpline advice services provided by Mercer Financial Advice (Australia) Pty Ltd (MFA) ABN 76 153 168 293, Australian Financial Services Licence 411766.

### Investment fee

The investment fees (shown in Table 1) include internal and external investment-related fees such as investment management fees, asset consulting fees, custody fees etc. These fees are not deducted directly from Members' account balances instead they are deducted from the underlying assets of each investment option and reflected in the unit prices.

As these are forward looking estimates, actual fees may vary from these depending on the actual assets each investment option invests in.

### Indirect costs

Indirect costs are costs that, directly or indirectly, reduce the return on investments of each investment option including investment management costs, performance related fees and certain transactional and operational costs.

These costs are not deducted directly from Members' account balances, instead they are deducted from the underlying assets of each investment option and reflected in the unit prices. The ICRs (shown in Table 1) represent the ratio of the total indirect costs for each investment option to the total average net assets

attributed to that investment option. The actual indirect costs for each investment option and hence the actual ICRs are likely to vary from year to year.

**TABLE 1: Investment fees & Indirect Cost Ratio (ICR)**

| Investment option             | Investment fee <sup>^</sup> p.a. | Indirect Cost Ratio p.a. (ICR)* |
|-------------------------------|----------------------------------|---------------------------------|
| Growth                        | 0.60%                            | 0.11%                           |
| Balanced                      | 0.58%                            | 0.12%                           |
| Stable                        | 0.49%                            | 0.08%                           |
| Conservative (Premium Income) | 0.45%                            | 0.00%                           |
| Australian Property           | 0.26%                            | 0.00%                           |
| Australian Shares             | 0.23%                            | 0.00%                           |
| Bonds                         | 0.33%                            | 0.01%                           |
| Global Property               | 0.31%                            | 0.09%                           |
| International Shares          | 0.24%                            | 0.05%                           |
| Cash                          | 0.15%                            | 0.00%                           |

<sup>^</sup> The Investment fees above represent the Trustee's reasonable estimates for the 2020/21 financial year and will vary from year to year depending on the underlying asset mix of each investment option.

\* The ICRs above reflect the Trustee's reasonable estimates of the actual indirect costs incurred by the underlying investment vehicles used by the Fund over the 2019/20 financial year.

Past fees and costs may not be a reliable indicator of future fees and costs.

## Buy/Sell spread

When money is added to your account (e.g. a contribution is received) or money is deducted from your account (e.g. a benefit is paid), it is used to purchase or sell units in your investment option. For some investment options, the entry price for the issue of units may be different from the exit price for the redemption of those units. The difference between the entry and exit price represents an allowance for transaction costs, and is commonly referred to as a 'Buy/Sell spread'.

Buy/Sell spreads (if incurred) are additional costs and do not form part of the investment fees and indirect costs shown in the 'Example of annual fees and costs' table on the previous page. They are not deducted directly from members' account balances instead they are deducted from the underlying assets of each investment option and reflected in the unit prices.

The Buy/Sell spreads of each investment option is set out in the table below:

| Investment option             | Buy/Sell spreads |
|-------------------------------|------------------|
| Growth                        | 0.14% / 0.14%    |
| Balanced                      | 0.14% / 0.14%    |
| Stable                        | 0.11% / 0.11%    |
| Conservative (Premium Income) | 0.10% / 0.10%    |
| Cash                          | 0.00% / 0.00%    |
| Australian Shares             | 0.07% / 0.07%    |
| International Shares          | 0.09% / 0.09%    |
| Australian Property           | 0.06% / 0.06%    |
| Global Property               | 0.08% / 0.08%    |
| Bonds                         | 0.13% / 0.13%    |

## Performance related fees

Performance related fees (see Table 2) are charged by some of the Fund's underlying investment managers when actual performance achieved is greater than an agreed target.

These fees are reflected in the unit price of the underlying investment vehicle and form part of the ICR of the relevant investment option shown in the table on the previous page.

## Transactional and Operational Costs (TOCs)

Transactional and operational costs are incurred when the investments of the Fund are bought or sold. Explicit costs (see Table 2) include buy/sell spreads charged by the underlying investment vehicles, brokerage costs, settlement costs, clearing costs and stamp duty. Implicit costs include costs such as the bid/offer spread incurred on transactions.

These costs are an additional cost to Members but are not deducted directly from Members' account balances; instead they are deducted from the underlying assets of each investment option and reflected in the unit prices. The total explicit costs for each investment option (less estimated costs recovered from the buy-sell spread) are included in the ICR of each investment option shown in Table 1 on page 2. The implicit costs do not form part of the ICR or any of the other fees and costs described in this document.

TABLE 2: Investment related costs (p.a.)

| Investment option             | Total Explicit TOCs | Total Implicit TOCs | Performance Related Fees |
|-------------------------------|---------------------|---------------------|--------------------------|
| Growth                        | 0.11%               | 0.03%               | 0.01%                    |
| Balanced                      | 0.12%               | 0.03%               | 0.01%                    |
| Stable                        | 0.11%               | 0.03%               | 0.00%                    |
| Conservative (Premium Income) | 0.10%               | 0.03%               | 0.00%                    |
| Australian Property           | 0.00%               | 0.00%               | 0.00%                    |
| Australian Shares             | 0.08%               | 0.00%               | 0.00%                    |
| Bonds                         | 0.15%               | 0.05%               | 0.00%                    |
| Global Property               | 0.14%               | 0.02%               | 0.00%                    |
| International Shares          | 0.11%               | 0.01%               | 0.00%                    |
| Cash                          | 0.00%               | 0.00%               | 0.00%                    |

The above investment related costs (expressed as a % of each investment option's assets) represent the Trustee's reasonable estimate of the actual costs charged by the Fund's underlying fund managers over the 2019/20 financial year.

Past fees and costs may not be a reliable indicator of future fees and costs.

## Activity fees

### Family law information and splitting fee

A fee of \$350 will be charged for splitting a superannuation payment upon receipt of a splitting agreement or court order.

The fee will be divided evenly and deducted from your account and your former spouse's entitlement when the account split is processed. Unless your former spouse receives the entire balance, in which case your former spouse will pay the entire fee.

### Advice fee

The cost of providing Helpline advice services to REI Super members is included in the administration fee. An advice fee will only be charged for comprehensive financial advice services offered to REI Super members through Mercer. Mercer financial advisers are authorised representatives of Mercer Financial Advice (Australia) Pty Ltd (MFA) ABN 76 153 168 293, Australian Financial Services Licence 411766.

Mercer financial advisers are salaried professionals who do not receive commissions for advice provided to our members. You can arrange an appointment with them to discuss your financial situation. There is no cost or obligation to have the initial consultation.

You will be provided with a fixed price quote for any further advice. Any fees are set by agreement between you and Mercer and provided to you in a letter of engagement.

### Insurance fee

Your insurance fee will depend on the type of insurance you have.

For more information about insurance see the relevant *Insurance Guide* at [reisuper.com.au](http://reisuper.com.au).

### Switching fee

You do not pay any fees for switching investment options. However, buy/sell spreads may apply.

## Taxes

### Goods and Service Tax (GST)

The fees and costs include the net effect of GST, after the benefits of reduced input tax credits where appropriate, unless otherwise specified.

### Government charges

Government charges such as stamp duty will be applied to your account as appropriate. Insurance fees shown in the *PDS* and *Insurance Guide* include stamp duty charged by your State Government, where applicable. The stamp duty charged will be based on the stamp duty laws and practices in force from time to time.

### Tax deductions

The benefit of any tax deductions relating to percentage-based fees is passed on to members through the calculation of the Fund's unit prices. The benefit of any other tax deductions relating to fees or costs (other than insurance premiums) is retained in

the Fund's reserves. The benefit of any tax deductions relating to insurance premiums is passed on to the member via the calculation of the contributions tax if concessional contributions (e.g. employer contributions) are received for that member, otherwise it is not passed on and retained in the Fund's reserves.

For more information about taxes, see the *How super is taxed factsheet* on our website.

## Fee changes – our disclosure obligations

All fees are current at the time of publication. They may be revised or adjusted by us from time to time without your consent. We may also introduce new fees from time to time.

If there were to be a material increase in fees, we'll notify you at least 30 days in advance of the change.

Where there is a materially adverse change to the Indirect Costs Ratios, we will update the PDS and this document. Where the change is not materially adverse, we will provide an update on our website at [reisuper.com.au](http://reisuper.com.au).

## Defined fees

### 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:

- d) 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
- e) 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 Members' interests in the superannuation entity.

### 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.

### Insurance fees

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 of a superannuation entity in relation to a member or members of the entity;
  - ii) costs incurred by the trustee 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 costs 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.

### 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 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.

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 the superannuation entity from one investment option or product in the entity to another.

### Need help?

1300 13 44 33 | [reisuper.com.au](https://reisuper.com.au)

✉ [admin@reisuper.com.au](mailto:admin@reisuper.com.au)



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REI Superannuation Fund Pty Limited acts as trustee (in this document referred to as 'the Trustee' or simply 'we') of REI Super (in this document referred to as 'the Fund' or simply 'us'). Where we refer in this document to the word 'our' we may be referring to either or both the Trustee and the Fund. All references for these entities required by law can be found by going to [reisuper.com.au](https://reisuper.com.au).