

# Important information about your pension account

The changes described in this document are relevant to the Retirement Income Stream.



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**8 August 2022**

# Changes to fees

We're committed to providing you with high-quality investment solutions for your retirement. Using our size and scale, we've been working to drive down our costs overall. From 30 September 2022, we're changing the way we structure our fees which, for the majority of members, will mean **reduced** fees overall. These changes will coincide with legislative changes coming into effect that impact the way we disclose fees and costs.



## 1 What's changing?

We're updating the way our fees and costs are disclosed to you in line with new guidelines introduced by the Australian Securities and Investment Commission (ASIC). The new Regulatory Guide 97 (RG97) prescribes the ongoing categories for fees and costs and what should be included in them. This will make it easier for you to compare fees between different super funds.

To align with this new regulation, we need to re-categorise some of our fees and costs. As we strive to maximise value and improve member outcomes in everything we do, we've also used this opportunity to review the overall fees we charge you and we've made changes to the Management and Administration fees.

## 2 What do these changes mean for you?

You don't need to do anything, except be aware that the fees you pay and the way they are disclosed will change.

### Current categories for fees and costs

The fees and costs you currently pay are categorised as follows.

Administration fees	A fixed fee, related to providing your administration and related services.
Investment fees	Fees and costs associated with the purchase/sale and ongoing management of investments of the fund and underlying investment vehicles, which have five components.
1. Management fee	A fixed fee, payable for product management activities such as expenses related to the development of enhanced retirement offerings, retirement-specific product management strategies and expenses incurred by the Trustee (e.g. fund governance).
2. Investment-related costs	Variable cost, depending on the investment option selected, payable for the investment management of your selected investment option.
3. Performance-related costs	Variable cost, depending on the investment option selected, payable when certain investment managers exceed performance targets.
4. Other fees and costs	Variable cost, depending on the investment option selected, payable for custody costs, securities lending costs, accounting/audit/tax costs and over-the-counter (OTC) derivative costs.
5. Transactional and operational costs	Variable cost, depending on the investment option selected, payable for the purchase/sale of investments.

## New categories for fees and costs

Tables 1 and 2 summarise the changes and the fees and costs you'll pay from **30 September 2022**.

### Fixed fees

**Table 1: Summary of changes to how we classify fixed fees and costs**

Current categories for fees and costs (before 30 Sept 2022)	New categories for fees and costs (from 30 Sept 2022)	What the change means for you
<b>Management fees</b> A fixed fee, depending on the investment option selected: <ul style="list-style-type: none"><li>• 0.15% per year for diversified investment options</li><li>• 0.06% per year for single asset class investment options</li><li>• 0.00% per year for the cash investment option.</li></ul>	There is no Management fee.	A separate Management fee will no longer be charged.
<b>Administration fees</b> \$52 per year <i>plus</i> Asset-based administration fee 0.20% per year, capped at \$1,500.	<b>Administration fees and costs</b> \$52 per year <i>plus</i> Asset-based administration fee 0.23% per year, capped at \$1,500.	Administration fees will be called <b>Administration fees and costs</b> . The <b>Asset-based administration fee</b> will increase by 0.03% because some of the Management fee will now be included in the Administration fee.

Overall, the total impact on **fixed fees** is:

- **reduction of 0.12% per year** for the diversified investment options
- **reduction of 0.03% per year** for the single asset class investment options, with the exception of the cash investment option
- **increase of 0.03% per year** for the cash investment option.

Refer to Tables 3 and 4 for more information.



## Variable costs\*

**Table 2: Summary of changes to how we classify variable fees and costs**

Current categories for fees and costs (before 30 Sept 2022)	New categories for fees and costs (from 30 Sept 2022)	What the change means for you
<b>Investment-related costs</b> Includes fees paid to investment managers as well as the costs of the Aware Super investment team.	<b>Investment fees and costs</b> Costs paid for managing the fund's investments, made up of an investment base fee and a performance fee.	Investment-related costs, performance-related costs, and other fees and costs will be grouped into one category called <b>Investment fees and costs</b> .
<b>Performance-related costs</b> Depending on the investment option selected, a performance-related cost will be payable when certain investment managers exceed their performance target.		Performance-related costs will be renamed <b>Performance fees</b> and calculated as a five-year average rather than a one-year amount.
<b>Other fees and costs</b> Includes custody costs, securities lending costs, accounting/audit/tax costs and OTC derivative costs.		
<b>Transactional and operational costs</b> Costs relating to the purchase/sale of investments.	<b>Transaction costs</b> Costs relating to the purchase/sale of investments.	This category will be renamed <b>Transaction costs</b> .

Other member-related activity fees and costs, such as advice fees for personal advice, may also be charged, but these will depend on the nature of the activity or advice chosen by you. Please check the Product Disclosure Statement for more information about these fees.

### \* Important

Variable costs and fixed fees make up the total fees you pay. Variable costs include investment fees and costs, and transaction costs, which vary from year-to-year and cannot be calculated in advance. The actual amount you'll pay will depend on the actual fees and costs incurred by the Trustee in managing the investment options and, as a result, the total fees you pay in any one year may decrease or increase. Past costs are not a reliable indicator of future costs.





You'll be notified of the 2021/22 financial year investment fees and costs and transaction costs in the Significant Event Notice that accompanies your Annual Statement. If you've opted for hard copy, the Significant Event Notice will be in the *SuperNews* member newsletter. If you're receiving email communications, you'll be sent a link to our website.



You can also refer to our website at **[aware.com.au/sen](https://aware.com.au/sen)** in late September 2022 for the latest fees and costs, and the 30 September 2022 Product Disclosure Statement.

### 3 Changes to the Management fee

We're removing the Management fee of 0.15% for all diversified investment options and 0.06% for all single asset class investment options (excluding the cash investment option, where no Management fee was applicable) as summarised in the table below.

**Table 3: Retirement Income Stream – Management fee**

Type of fee	Fee before 30 Sept 2022	Fee from 30 Sept 2022	Fee change
Management fee – diversified	0.15%	No fee	-0.15%
Management fee – single asset class excluding cash	0.06%	No fee	-0.06%
Management fee – cash	0.00%	No fee	No change

### 4 Changes to the Administration fee

Our Administration fee covers the operational costs of Aware Super and the cost of administering member accounts. The Administration fee is deducted directly from your account monthly.

The table below shows the changes.

**Table 4: Retirement Income Stream – Administration fee**

Type of fee	Fee p.a. before 30 Sept 2022	Fee p.a. from 30 Sept 2022	Fee change p.a.
Annual administration flat fee	\$52	\$52	No change
Asset-based administration fee	0.20%	0.23%	+0.03%
Asset-based administration fee cap	\$1,500	\$1,500	No change

## Contact us



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Past performance is not a reliable indicator of future performance. Investment returns fluctuate depending on market conditions. You should consider your current situation carefully, and seek advice from a qualified financial adviser, before making any significant decisions.

Before making a decision about Aware Super you should read our product disclosure statement and Target Market Determination (TMD) available at [aware.com.au/pds](https://aware.com.au/pds) or call us and we'll send you a copy.

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