



# Important information about your super, pension and investment funds



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# Super and Pension Products

## Update on your products and investments

### Changes to fees and costs

We've updated the way our fees and costs are disclosed to you in line with new requirements introduced by the Australian Securities and Investment Commission (ASIC). In introducing these changes, ASIC intended to assist with the consistent and transparent disclosure of fees and costs, which will help make it easier to compare fees and costs between different super funds.

As a result, we re-categorised some of our fees and costs on 30 September 2022. As we strive to maximise value and improve member outcomes in everything we do, we also used this opportunity to review the overall fees and costs we charge you.



## Changes to the Management fee/Trustee charge

We have made changes to what we formerly described as the Trustee charge for all investment options as summarised in the table below.

### Tailored Super Plan and Personal Retirement Plan – changes to the Trustee charge

We've removed the Trustee charge for all investment options as summarised in the table below.

Table 1: Tailored Super Plan and Personal Retirement Plan – Trustee charge

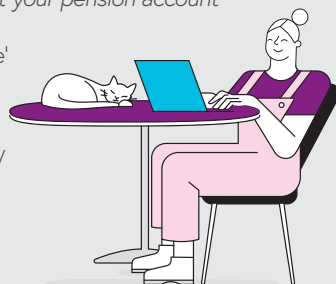
Type of fee	Fee before 30 Sept 2022	Fee from 30 Sept 2022	Fee change
Trustee charge – diversified investment options	0.04%	No fee	-0.04%
Trustee charge – single asset class investment options	No fee	No fee	No change

### Flexible Income Plan, Allocated Pension, Term Allocated Pension and Transition to Retirement Pension members

Members in the Flexible Income Plan, Allocated Pension, Term Allocated Pension and Transition to Retirement Pension received a Significant Event Notice about the Management fee/Trustee charge changes impacting their products in August 2022.

You can download a copy of the *Important information about your pension account* booklet by visiting [aware.com.au/sen](https://www.aware.com.au/sen). Go to the heading 'August 2022' and click on the 'Important Information notice' relevant to your product.

For the majority of members, the changes mean you'll enjoy a reduction in the overall total fees and costs you pay from 30 September 2022. However, Retirement members with a high proportion of funds in the cash investment option and Transition to Retirement members with a high proportion in single asset class investment options, including cash, will see a slight fee increase overall.



## New categories for fees and costs – all members

Tables 2 and 3 summarise the changes to our categories for fees and costs on and from 30 September 2022.

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

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 fee/Trustee charge</b> A fixed fee, depending on the investment option selected.	There is no Management fee/Trustee charge.	A separate Management fee/Trustee charge will no longer be charged.
<b>Administration fees</b> A fixed administration fee per year plus an asset-based administration fee per year, related to providing your administration and related services.	<b>Administration fees and costs</b> A fixed administration fee per year plus an asset-based administration fee, related to providing your administration and related services.  The asset-based administration fee for the Flexible Income Plan, Allocated Pension, Term Allocated Pension and Transition to Retirement Pension accounts increased from 0.20% p.a. to 0.23% p.a. (capped at \$1,500) on 30 September 2022.  The Tailored Super Plan and Personal Retirement Plan administration fees were unchanged.	Administration fees will be called <b>Administration fees and costs</b> .  We will now calculate all the administration costs associated with administration of the fund, as part of the calculation of the administration fees and costs.

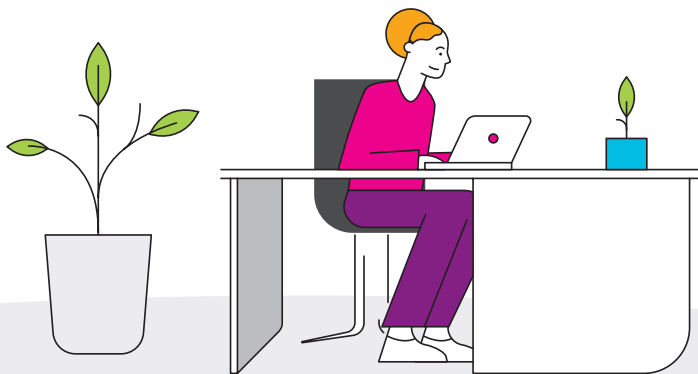


Table 3: Summary of changes to how we classify **variable fees and costs**

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 over-the-counter (OTC) derivative costs.		
<b>Transactional and operational costs</b> Costs relating to the purchase/sale of the assets of the fund or an underlying fund or other investment vehicle.	<b>Transaction costs</b> Costs relating to the purchase/sale of the assets of the fund or an underlying fund or other investment vehicle.	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 (PDS) for more information about these fees and costs.

Important



The fees and costs you pay comprise both variable fees and costs and fixed fees and costs. Examples of variable fees and 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 each year will depend on the actual fees and costs incurred by the Trustee in managing the investment option(s). Accordingly, the total fees and costs you pay in any one year may decrease or increase. **Past costs are not a reliable indicator of future costs.**

## Your variable fees and costs

Variable fees and costs can be broadly split into three categories.

- 1 Investment base fees**, which include fees paid to investment managers, costs of the Aware Super investment team and other expenses associated with managing the fund's investments, such as custody fees and estimated costs of over-the-counter derivatives.
- 2 Performance fees**, which are paid to some of our investment managers if they generate investment returns that exceed an agreed level. These are calculated as a five-year average in the PDS.
- 3 Transaction costs**, which are incurred when buying and selling investments.

The amounts shown under the headings 2022 in Tables 4 and 5 are the fees and costs calculated for the 12 months to 30 June 2022, other than the performance fees which are a five-year average, broken down into these three categories.

Total investment fees and costs and transaction costs for most investment options for the 2022 financial year (FY22) were lower than the previous year. For our diversified options, this was primarily driven by the removal of the Management fee/Trustee charge, the change to disclose performance fees on a five-year average rather than a one-year amount and strong negotiation on fees with our external managers. We've also increased the proportion of assets that we manage ourselves in some asset classes (for example, cash, credit income, property and infrastructure) and this has helped to further drive down costs.

**Table 4: Tailored Super Plan, Personal Retirement Plan, Transition to Retirement Pension – estimated investment fees (% per year)**

Investment option	Investment fees and costs % p.a.				Transaction costs % p.a.	
	Investment base fees % p.a.	Performance fees % p.a. (five-year average)	Total investment fees and costs % p.a.			
	2022	2022	2022 <sup>1</sup>	2021 <sup>2</sup>	2022 <sup>1</sup>	2021 <sup>2</sup>
High Growth <sup>3</sup>	0.34%	0.36%	0.70%	0.90%	0.08%	0.08%
Growth	0.31%	0.31%	0.62%	0.85%	0.07%	0.10%
Socially Conscious	0.27%	0.07%	0.34%	N/A	0.06%	N/A
Balanced Growth	0.28%	0.27%	0.55%	0.76%	0.06%	0.08%
Conservative	0.24%	0.16%	0.40%	0.62%	0.04%	0.05%
Defensive	0.14%	0.11%	0.25%	0.39%	0.03%	0.04%
Australian Equities	0.05%	0.00%	0.05%	0.17%	0.01%	0.01%
International Equities	0.05%	0.00%	0.05%	0.17%	0.01%	0.01%
Property	0.26%	0.25%	0.51%	N/A	0.07%	N/A
Fixed Interest	0.07%	0.00%	0.07%	0.29%	0.00%	0.00%
Cash	0.04%	0.00%	0.04%	0.03%	0.00%	0.00%

<sup>1</sup> The 2022 investment fees and costs in the table are the 'new' investment options, implemented on 2 June 2022. They reflect the estimated investment base fees and transaction costs for each investment option for the 12 months to 30 June 2022. Performance fees are calculated using a five-year average.

<sup>2</sup> The 2021 investment fees and costs are the equivalent 'old' investment options and included a Management fee of 0.15% per year for the diversified investment options and 0.06% per year for the single asset class investment options (except the cash investment option which is nil). Performance fees are calculated as an annual amount.

<sup>3</sup> This option was previously called the Growth Plus option and was only available in the Personal Retirement Plan.



Table 5: Flexible Income Plan, Allocated Pension, Term Allocated Pension – estimated investment fees (% per year)

Investment option	Investment fees and costs % p.a.				Transaction costs % p.a.	
	Investment base fees % p.a.	Performance fees % p.a. (five-year average)	Total investment fees and costs % p.a.			
			2022	2022	2022 <sup>1</sup>	2021 <sup>2</sup>
High Growth <sup>3</sup>	0.34%	0.28%	0.62%	0.82%	0.08%	0.08%
Growth	0.29%	0.25%	0.54%	0.80%	0.07%	0.10%
Socially Conscious	0.23%	0.06%	0.29%	N/A	0.05%	N/A
Balanced Growth	0.28%	0.21%	0.49%	0.74%	0.08%	0.08%
Conservative	0.24%	0.13%	0.37%	0.61%	0.06%	0.05%
Defensive	0.14%	0.12%	0.26%	0.37%	0.04%	0.04%
Australian Equities	0.04%	0.00%	0.04%	0.12%	0.01%	0.01%
International Equities	0.04%	0.00%	0.04%	0.13%	0.01%	0.01%
Property	0.26%	0.25%	0.51%	N/A	0.07%	N/A
Fixed Interest	0.06%	0.00%	0.06%	0.17%	0.00%	0.00%
Cash	0.04%	0.00%	0.04%	0.03%	0.00%	0.00%

<sup>1</sup> The 2022 investment fees and costs in the table are the 'new' investment options, implemented on 2 June 2022. They reflect the estimated investment base fees and transaction costs for each investment option for the 12 months to 30 June 2022. Performance fees are calculated using a five-year average.

<sup>2</sup> The 2021 investment fees and costs are the equivalent 'old' investment options and included a Management fee of 0.15% per year for the diversified investment options and 0.06% per year for the single asset class investment options (except the cash investment option which was nil). Performance fees are calculated as an annual amount.

<sup>3</sup> This option was previously called the Growth Plus option and was only available in the Allocated Pension and Term Allocated Pension.

You should be aware that fee amounts disclosed in your FY22 Annual Statement are based on the amounts for FY22 prior to the changes to the Management fee/ Trustee charge. Amounts under 'Fees deducted from your account' will include the Management fee or Trustee charge, as applicable, and the one-year performance fee.





## ! Important changes to your investment options

As part of our investment approach, we undertake a yearly review of our investment options to make sure they are appropriate for market conditions and the investment outlook. As part of our review this year, there were some changes to the investment objectives and asset allocations of your investment options. Most of these came into effect on 30 September 2022 and apply to the following products:

- Tailored Super Plan
- Flexible Income Plan
- Allocated Pension and Term Allocated Pension (closed to new members)
- Personal Retirement Plan (closed to new members)
- Transition to Retirement Pension

## Changes to the diversified investment options

### Return objectives

Every investment option has an investment objective, which is the desired investment outcome for the option, reflecting the current investment environment and investment mix.

We've revised some of our diversified investment options' CPI+ targets slightly downwards in this review. These changes reflect nearer term economic and market conditions, including a higher inflation outlook, rather than changes in underlying asset allocation.

In addition, our Socially Conscious Investment options' CPI+ targets have slightly increased to align with investment options that have a similar growth asset target. This reflects our confidence in the changes we've made to the

management of these investment options over the last year. We've included more Private Equity investments and expanded the managers used in our equities portfolios. This will provide greater diversification and should help to improve returns over the long term. Although the investment objectives have increased, it's important to note that these investment options will still have more restricted investment opportunities given the exclusionary screens. For more information on the Socially Conscious investment option screens, please see the PDS.

The investment objectives below are effective from 30 September 2022. There are no objective changes to our other diversified investment options.

**Table 6: Tailored Super Plan, Personal Retirement Plan and Transition to Retirement Pension**

	Objective before 30 Sept 2022	Objective from 30 Sept 2022
Balanced Growth	CPI + 3.00% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 2.75% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
Conservative	CPI + 2.00% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 1.75% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
Defensive	CPI + 1.25% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 1.00% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
Socially Conscious	CPI + 3.25% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 3.75% p.a. over rolling 10-year periods after taking into account fees, costs and tax.



Table 7: Flexible Income Plan, Allocated Pension and Term Allocated Pension

	Objective before 30 Sept 2022	Objective from 30 Sept 2022
Balanced Growth	CPI + 3.50% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 3.25% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
Conservative	CPI + 2.50% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 2.25% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
Defensive	CPI + 1.75% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 1.50% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
Socially Conscious	CPI + 3.00% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 3.25% p.a. over rolling 10-year periods after taking into account fees, costs and tax.

## Asset allocations

There were no changes to the target strategic asset allocations (SAA) from 30 September 2022. There were some small changes to the ranges for 'Cash' and 'Liquid alternatives – Defensive' in some investment options. This is to retain some investment flexibility, noting that all investment options typically retain some allocation to cash.

There were no changes to the growth and defensive target asset allocations.

Table 8: Tailored Super Plan, Personal Retirement Plan and Transition to Retirement Pension

	Cash SAA Range		Liquid alternatives – Defensive SAA Range	
	Before 30 Sept 2022	From 30 Sept 2022	Before 30 Sept 2022	From 30 Sept 2022
High Growth	1 – 15%	0 – 15%	–	0 – 10%
Growth	1 – 45%	0 – 45%	–	0 – 10%
Balanced Growth	1 – 60%	0 – 60%	0 – 20%	No change
Conservative	1 – 75%	0 – 75%	0 – 20%	No change
Defensive	1 – 85%	0 – 85%	0 – 20%	No change
Socially Conscious	1 – 45%	0 – 45%	0 – 20%	No change

Table 9: Flexible Income Plan, Allocated Pension and Term Allocated Pension

	Cash SAA Range		Liquid alternatives – Defensive SAA Range	
	Before 30 Sept 2022	From 30 Sept 2022	Before 30 Sept 2022	From 30 Sept 2022
High Growth	1 – 15%	0 – 15%	–	0 – 10%
Growth	1 – 45%	0 – 45%	–	0 – 10%
Balanced Growth	1 – 60%	0 – 60%	0 – 24%	No change
Conservative	1 – 75%	0 – 75%	0 – 22%	No change
Defensive	1 – 85%	0 – 85%	0 – 20%	No change
Socially Conscious	1 – 60%	0 – 60%	0 – 20%	No change

## Standard Risk Measures and Estimated Number of Negative Annual Returns over any 20-Year Period

The Standard Risk Measure (SRM) is an industry-wide measure that allows consumers to compare investment options. It describes the risk of an investment option based on its risk band and risk label. The measure ranges from 1 (being the lowest risk) to 7 (being the highest risk). It also includes the estimated number of negative annual returns you should expect over any 20-year period.

We made SRM changes to some of our diversified investment options.

Table 10: Tailored Super Plan, Personal Retirement Plan and Transition to Retirement Pension

	Standard Risk Measure		Estimated Number of Negative Annual Returns over any 20-Year Period	
	Before 30 Sept 2022	From 30 Sept 2022	Before 30 Sept 2022	From 30 Sept 2022
Balanced Growth	4 – Medium	5 – Medium to high	2 to less than 3	3 to less than 4
Conservative	3 – Low to medium	4 – Medium	1 to less than 2	2 to less than 3
Defensive	2 – Low	3 – Low to medium	0.5 to less than 1	1 to less than 2

Table 11: Flexible Income Plan, Allocated Pension and Term Allocated Pension

	Standard Risk Measure		Estimated Number of Negative Annual Returns over any 20-Year Period	
	Before 30 Sept 2022	From 30 Sept 2022	Before 30 Sept 2022	From 30 Sept 2022
Defensive	2 – Low	3 – Low to medium	0.5 to less than 1	1 to less than 2

## Socially Conscious options – update to screening criteria

As part of our regular review of the Socially Conscious options, we have updated the descriptions for some of the existing screens. The changes have been made to the tobacco and controversial weapons screens to meet updated industry standards for the description and application of these screens. We have also clarified the fossil fuel screening criteria.

Table 12: Changes to Climate Change screens

Climate Change screen	Screen	Description	Threshold
Before 30 Sept 2022	Fossil fuel supply chain and services	Directly owning and/or supplying fossil fuel (coal, oil and gas) mining equipment, oil and gas equipment and services.	5% or more of revenue
From 30 Sept 2022	Fossil fuel supply chain and services	Directly owning and/or supplying fossil fuel (coal, oil and gas) mining equipment, oil and gas equipment and services. Companies that provide services to the fossil fuel industry whose purpose is to support the transition to the low carbon economy are not included as part of this criteria.	5% or more of revenue



Table 13: Changes to Ethical screens

Ethical screen	Screen	Description	Threshold
Before 30 Sept 2022	Tobacco	Tobacco production/ manufacture	5% or more of revenue
From 30 Sept 2022	Tobacco, nicotine alternatives <sup>1</sup> and tobacco-based products	Production/manufacture of tobacco, nicotine alternatives and tobacco-based products.	No threshold (i.e. companies generating any revenue from the manufacture and/or production of tobacco products, nicotine alternatives and tobacco-based products)

<sup>1</sup> Nicotine alternatives and tobacco-based products include: (i) electronic nicotine delivery systems as defined by the US Food and Drug Administration (e.g. 'vaping' devices, e-cigarettes) alternatively described as nicotine vaping products; (ii) dissolvable and non-combustible tobacco products (e.g. nicotine pouches, snuff); and (iii) shisha and water pipes.

Table 14: Changes to Conventions and controversies-based screens

Conventions and controversies-based screen	Screen	Description	Threshold
Before 30 Sept 2022	Controversial weapons	Manufacture/production of controversial weapons, including chemical weapons, cluster munitions, land mines and depleted uranium.	Any involvement
From 30 Sept 2022	Controversial weapons	Companies that derive any revenue from the manufacture and/or production of controversial weapons, including chemical weapons, cluster munitions, land mines, depleted uranium and companies involved in the development, production and maintenance of nuclear weapons.	Any involvement

There are no other changes to the screens for the Socially Conscious options.

## Changes to the single asset class investment options

### Property single asset class investment option

The way we manage the Property single asset class investment option is changing effective 31 December 2022. From this date, this investment option will invest in a passively managed portfolio of global listed property investments only. There will be no allocation to unlisted property investments.

Listed property investments are often called Real Estate Investment Trusts (or REITs) and their returns reflect general market sentiment as well as investors' views of the quality of the underlying property or properties held in the REIT. Any international REITs will generally be fully hedged back to the Australian dollar, meaning they are protected against the impact of currency fluctuations on investment returns.

The Property investment option's investment objective, strategic asset allocation, SRM and Estimated Number of Negative Annual Returns over any 20-Year Period will change on 31 December 2022.

**Table 15: Investment objective – Property investment option**

Current objective (before 31 Dec 2022)	Objective from 31 Dec 2022
To outperform a weighted index – namely 65% to the FTSE EPRA/NAREIT Developed Rental Index Net Dividends Reinvested (100% hedged) in Australian dollars and 35% to CPI + 5% p.a. – over rolling 5-year periods, before tax and after taking into account fees and costs.	To track the return of the FTSE EPRA/NAREIT Developed Rental Index Net Dividends Reinvested (100% hedged) in Australian dollars, before taking into account fees, costs and tax.

**Table 16: Strategic Asset Allocation – Property investment option**

	Current (before 31 Dec 2022)		From 31 Dec 2022	
	Target	Range	Target	Range
Listed Property	65%	0 – 100%	100%	50 – 100%
Unlisted Property	35%	0 – 100%	0%	0 – 50%
Cash	0%	0 – 5%	0%	0 – 5%
Currency exposure	0%	0 – 5%	0%	0 – 5%

**Table 17: Minimum suggested investment timeframe, Standard Risk Measure and Estimated Number of Negative Annual Returns over any 20-Year Period – Property investment option**

	Current (before 31 Dec 2022)	From 31 Dec 2022
Minimum suggested investment timeframe	Medium to long term (7 years)	Long term (10 years)
Standard Risk Measure	6 – High	7 – Very high
Estimated Number of Negative Annual Returns over any 20-Year Period	4 to less than 6	6 or greater



### Fixed Interest single asset class investment option

This investment option has seen an increase in its risk measures because of changes to our long-term assumptions for fixed income markets.

Table 18: Minimum suggested investment timeframe, Standard Risk Measure and Estimated Number of Negative Annual Returns over any 20-Year Period – Fixed Interest investment option

	Before 30 Sept 2022	From 30 Sept 2022
Minimum suggested investment timeframe	Medium term (4 years)	Medium term (5 years)
Standard Risk Measure	5 – Medium to high	6 – High
Estimated Number of Negative Annual Returns over any 20-Year Period	3 to less than 4	4 to less than 6

From 30 September 2022 these important changes will be incorporated into your relevant:

- Product Disclosure Statement
- Additional Information Booklet
- Investment and Fee Booklet
- Target Market Determinations

which are available on our website at [aware.com.au/pds](https://www.aware.com.au/pds)

# Investment Fund Products

## ! Update on your products and investments

### Changes to fees and costs

We've updated the way our fees and costs are disclosed to you in line with new requirements introduced by the Australian Securities and Investment Commission (ASIC). In introducing these changes, ASIC intended to assist with the consistent and transparent disclosure of fees and costs, which will help make it easier to compare fees and costs between different super funds.

As a result, we re-categorised some of our fees and costs on 30 September 2022. As we strive to maximise value and improve member outcomes in everything we do, we also used this opportunity to review the overall fees and costs we charge you.

Table 19: Summary of how we classified fees and costs before 30 September 2022

Categories for fees and costs (before 30 Sept 2022)	Description of fees and costs
Management fee	A fixed fee, which varies depending on the Investment Fund selected, for overseeing the operations and managing the assets of each Investment Fund. We pay any recoverable expenses out of the management fee, with the exception of abnormal costs.
Indirect costs	<p>A variable cost, which varies depending on the Investment Fund selected, and is broken down into Other indirect costs and Performance-related costs.</p> <p><b>Other indirect costs</b> can include the costs of managing or administering an underlying investment vehicle, certain over-the-counter derivative costs, and abnormal costs.</p> <p><b>Performance-related costs</b> are payable when certain investment managers exceed their performance target. Performance fees are calculated based on the prior 12 months.</p> <p>These costs are deducted from the assets of the Investment Funds or underlying investment vehicle(s) as and when they are incurred and are an additional cost that reduces the returns on your investment.</p>
Management cost	A variable cost, which varies depending on the Investment Fund selected, includes the Management fee plus Indirect costs, but does not include transactional and operational costs or personal advice fees (if any).
Transactional and operational costs	<p>A variable cost, relating to the purchase/sale of the assets of an Investment Fund or an underlying fund or other investment vehicle. Examples include brokerage, clearing fees and stamp duty.</p> <p>These costs are deducted from the assets of the Investment Funds or underlying investment vehicle(s) as and when they are incurred and are an additional cost that reduces the returns on your investment.</p>

Table 20: Summary of how we classify fees and costs on and after 30 September 2022

Categories for fees and costs (from 30 Sept 2022)	Description of fees and costs	Equivalent category of fees and costs (before 30 Sept 2022)
Management fees and costs	<p>Management fees and costs are charged for overseeing the operations and managing the assets of each Investment Fund. They include a management fee plus indirect costs.</p> <p><b>Management fee</b> is a fixed fee, the amount of which is dependent on the Investment Fund selected. From this fee we pay for example, investment managers' fees and amounts to third parties, such as our custodian administrator valuers, accountants, auditors and any other day-to-day expenses.</p> <p><b>Indirect costs</b> are a variable cost, that seek to capture an estimate of all relevant costs that are indirectly involved in deriving the investment return for each Investment Fund. They can include the costs of managing or administering an underlying investment vehicle, and certain over-the-counter derivative costs and abnormal costs but do not include performance fees or transaction costs, which are calculated separately (refer to the rows below). Indirect costs are deducted from the assets of the Investment Fund(s) or underlying investment vehicle(s) as and when they are incurred and are an additional cost that reduces the return on your investment.</p>	<p>Management fee is an equivalent category to Management fee (before 30 September)</p> <p>Indirect costs are an equivalent category to Other indirect costs (before 30 September)</p>
Performance fees	<p><b>Performance fees</b> are a variable cost, which vary depending on the Investment Fund selected, and are payable when certain investment managers exceed their performance target. Performance fees will be calculated as a five-year average. These costs are deducted from the assets of the Investment Fund(s) or underlying investment vehicle(s) as and when they are incurred and are an additional cost that reduces the returns on your investment.</p>	<p>Performance fees are an equivalent category to Performance-related costs (before 30 September), however, the methodology for calculating these amounts has changed from 12 months to a five-year average.</p>
Transaction costs	<p>A variable cost relating to the purchase/sale of the assets of the fund or an underlying fund or other investment vehicle. Examples include brokerage, clearing fees and stamp duty.</p> <p>These costs are deducted from the assets of the Investment Fund(s) or underlying investment vehicle(s) as and when they are incurred and are an additional cost that reduces the returns on your investment.</p>	<p>Transaction costs are an equivalent category to Transactional and operational costs (before 30 September)</p>
Total fees and costs	<p>A variable cost, which varies depending on the Investment Fund selected, includes the Management fees and costs plus Performance fees and Transaction costs.</p>	

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 PDS for more information about these fees.



## Important

The fees and costs you pay comprise both variable fees and costs, and fixed fees and costs. Examples of variable fees and costs include indirect costs, performance fees and transaction costs, which vary from year to year and cannot be calculated in advance. The actual amount you'll pay each year will depend on the actual fees and costs incurred by the Trustee in managing the investment options. Accordingly, the total fees and costs you pay in any one year may decrease or increase. **Past costs are not a reliable indicator of future costs.**

## Your total fees and costs

Total fees and costs reflect a range of fees and costs associated with the purchase, sale and ongoing management of investments of the Investment Funds. They are paid from the assets of the relevant Investment Funds before unit prices and investment returns are calculated.

The revised Total fees and costs shown in Table 21 reflect an estimate for the 12 months to 30 June 2022.

As can be seen in Table 21, Total fees and costs were generally in line with, or lower than, the previous year, with a reduction in transaction costs and indirect costs contributing to lower fees and costs for the majority of the diversified funds and the Australian Equities Fund.

**Table 21: Investment Funds Class A & B – estimated Total fees and costs (% per year)**

Investment option	Total management fees and costs % p.a. <sup>1</sup>		Performance fees % p.a. (five-year average) <sup>2</sup>		Transaction costs % p.a.		Total fees and costs % p.a.	
	2021 <sup>3</sup>	2022	2021 <sup>3</sup>	2022	2021 <sup>3,4</sup>	2022	2021 <sup>3</sup>	2022
<b>Diversified Funds</b>								
Capital Stable	0.56%	0.55%	0.02%	0.02%	0.03%	0.02%	0.61%	0.59%
Moderate	0.62%	0.61%	0.03%	0.04%	0.07%	0.04%	0.72%	0.69%
Balanced	0.68%	0.67%	0.04%	0.07%	0.09%	0.05%	0.81%	0.79%
Growth	0.77%	0.75%	0.03%	0.06%	0.07%	0.05%	0.87%	0.86%
<b>Single asset class Funds</b>								
Australian Equities	0.75%	0.75%	0.00%	0.00%	0.08%	0.06%	0.83%	0.81%
International Equities	0.75%	0.75%	0.00%	0.00%	0.03%	0.03%	0.78%	0.78%
Fixed Interest	0.40%	0.40%	0.00%	0.00%	0.00%	0.00%	0.40%	0.40%
Cash	0.24%	0.24%	0.00%	0.00%	0.00%	0.00%	0.24%	0.24%

<sup>1</sup> Note that this table shows the total management fee and costs, whereas the Aware Investment Funds Class A and Class B PDS shows the management fees and indirect costs separately.

<sup>2</sup> Performance fees for FY22 are an average of the previous five years, whereas the 2021 amounts are an annual amount only.

<sup>3</sup> FY21 fees and costs have been reclassified to provide an apples-with-apples comparison to the FY22 results, where possible.

<sup>4</sup> Transaction costs didn't form part of Total fees and costs in FY21 but are included here to provide a more complete comparison with the FY22 numbers.

You should be aware that fee amounts disclosed in your FY22 Annual Statement under 'Fees deducted from your account' will include a one-year performance fee rather than the five-year average, as prescribed by law.



## Important changes to your Investment Funds

As part of our annual review there were changes that affect your Investment Funds. The following changes were effective 30 September 2022 and apply to the Investment Funds – Class A (closed to new members) and Class B.

### Changes to the return objectives

The investment objectives below changed with effect from 30 September 2022. Going forward, the benchmarks will be ignoring the value of franking credits, in line with industry practice for Managed Investment Funds. This is because the impact of franking credits from shares is not reflected in the unit prices and is not reflected in the reported performance of the Funds. Rather imputation credits are passed through to you as a member. There is no change to how you treat these Funds for tax purposes and there is no change to how these Funds are managed from a tax perspective.

This means we've revised some of our diversified Funds' CPI+ targets slightly downwards in this review. For our single asset class Funds, the change is also reflected in the objective.

In addition, Balanced, Moderate and Capital Stable have also had a further decrease to their CPI+ target to reflect nearer term economic and market conditions, including a higher inflation outlook.

**Table 22: Changes to investment objectives – diversified Funds**

	Objective before 30 Sept 2022	Objective from 30 Sept 2022
Growth Fund	CPI + 4.25% p.a. over rolling 10-year periods gross of tax <sup>1</sup> and net of fees and costs.	CPI + 4.00% p.a. over rolling 10-year periods before tax <sup>2</sup> and after taking into account fees and costs.
Balanced Fund	CPI + 3.50% p.a. over rolling 10-year periods gross of tax <sup>1</sup> and net of fees and costs.	CPI + 3.00% p.a. over rolling 10-year periods before tax <sup>2</sup> and after taking into account fees and costs.
Moderate Fund	CPI + 2.50% p.a. over rolling 10-year periods gross of tax <sup>1</sup> and net of fees and costs.	CPI + 2.00% p.a. over rolling 10-year periods before tax <sup>2</sup> and after taking into account fees and costs.
Capital Stable Fund	CPI + 1.75% p.a. over rolling 10-year periods gross of tax <sup>1</sup> and net of fees and costs.	CPI + 1.25% p.a. over rolling 10-year periods before tax <sup>2</sup> and after taking into account fees and costs.

<sup>1</sup> Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

<sup>2</sup> Ignoring the value of franking credits.

Table 23: Changes to investment objectives – single asset class Funds

	Objective before 30 Sept 2022	Objective from 30 Sept 2022
Australian Equities	To outperform the return of the Aware Super Custom Index on MSCI Australia Shares 300 <sup>1</sup> over rolling five-year periods, before tax <sup>2</sup> and after taking into account fees and costs.	To outperform the return of the Aware Super Custom Index on MSCI Australia Shares 300 <sup>1</sup> over rolling five-year periods, before tax <sup>3</sup> and after taking into account fees and costs.
International Equities	To outperform the return of the Aware Super Custom Index on MSCI All Country World Index (ACWI) ex-Australia partially hedged to Australian dollars <sup>4</sup> , over rolling five-year periods, before tax <sup>2</sup> and after taking into account fees and costs.	To outperform the return of the Aware Super Custom Index on MSCI All Country World Index (ACWI) ex-Australia partially hedged to Australian dollars <sup>4</sup> , over rolling five-year periods, before tax <sup>3</sup> and after taking into account fees and costs.

<sup>1</sup> A custom index calculated by MSCI based on the responsible ownership criteria provided by Aware Super.

<sup>2</sup> Before tax means prior to tax being taken out and with the value of franking credits added back in.

<sup>3</sup> Ignoring the value of franking credits.

<sup>4</sup> A custom index calculated by MSCI based on the responsible ownership criteria and the hedging percentage provided by Aware Super.

## Asset allocations

There were no changes to the target strategic asset allocations (SAA) from 30 September 2022.

There were some small changes to the ranges for cash in the diversified funds. This is to retain some investment flexibility, noting that typically all Funds retain some allocation to cash.

Table 24: Changes to the cash allocation – diversified Funds

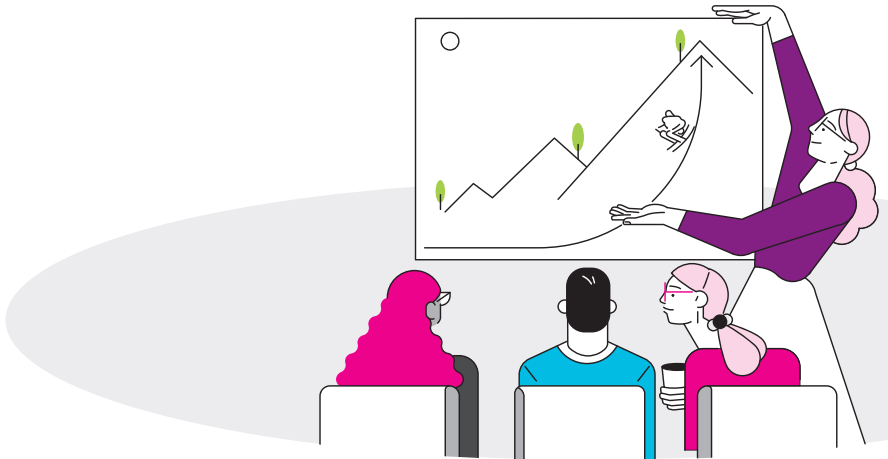
	Cash SAA Range	
	Before 30 Sept 2022	From 30 Sept 2022
Growth Fund	1 – 45%	0 – 45%
Balanced Fund	1 – 60%	0 – 60%
Moderate Fund	1 – 75%	0 – 75%
Capital Stable Fund	1 – 85%	0 – 85%

## Fixed Interest single asset class Fund

This Fund has seen an increase in its risk measures due to changes to our long-term assumptions for fixed income markets.

Table 25: Minimum suggested investment timeframe, Standard Risk Measure and Estimated Number of Negative Annual Returns over any 20-Year Period – Fixed Interest investment option

	Before 30 Sept 2022	From 30 Sept 2022
Minimum suggested investment timeframe	Medium term (4 years)	Medium term (5 years)
Standard Risk Measure (SRM)	5 – Medium to high	6 – High
Estimated Number of Negative Annual Returns over any 20-Year Period	3 to less than 4	4 to less than 6





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## Important information

Personal advice requires the provider to act in the client's best interests and take into account the client's circumstances. These rules do not apply to general advice. This communication contains general advice only and no personal advice. We have not taken into consideration any of your objectives, financial situation or needs or any information we hold about you when providing this general advice. Further this communication does not contain, and should not be read as containing, any recommendations to you in relation to our product. Before taking any action, you should consider whether the general advice contained in this communication is appropriate to you having regard to your circumstances and needs and seek appropriate professional advice if you think you need it. Contact us to make an appointment to see one of our representatives. 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](http://aware.com.au/PDS) or call us and we'll send you a copy. Issued by Aware Super Pty Ltd ABN 11 118 202 672, AFSL 293340, the trustee of Aware Super ABN 53 226 460 365. Financial planning services are provided by our wholly owned financial planning business Aware Financial Services Australia Limited, ABN 86 003 742 756, AFSL No. 238430. You should read their Financial Services Guide before making a decision.