

Freedom of Choice - Defined fees

Type of fee or cost	Definitions
Activity fees	<p>A fee is an <i>activity fee</i> if:</p> <ul style="list-style-type: none"> 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"> that is engaged in at the request, or with the consent, of a member ; or that relates to a member and is required by law those costs are not otherwise charged as an administration fee, an investment fee, a buy sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.
Administration fees	<p>An <i>administration fee</i> is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to the administration or operation, other than:</p> <ul style="list-style-type: none"> borrowing costs; and indirect costs that are not paid out of the superannuation entity that the trustee has elected on writing will be treated as indirect costs band not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and costs that are otherwise charged as an investment fee, a buy- sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.
Advice fees	<p>A fee is an <i>advice fee</i> if:</p> <ul style="list-style-type: none"> the fee relates directly to costs incurred by the trustee, or the trustees, of a superannuation entity because of the provision of financial product advice to a member by: <ul style="list-style-type: none"> a trustee of the entity; or another person acting as an employee of, or under an arrangement with, a trustee or trustees of the entity; and those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.
Buy-sell spreads	<p>A <i>buy-sell spread</i> is a fee to recover transaction costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the sale and purchase of assets of the entity.</p>
Exit fees	<p>An <i>exit fee</i> is a fee to recover the costs of disposing of all or part of members' interests in a superannuation entity.</p>
Indirect cost ratio	<p>The <i>indirect cost ratio</i> ('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 from a member's account or paid out of the superannuation entity is not an indirect cost.</p>
Insurance fees	<p>A fee is an <i>insurance fee</i> if:</p> <ul style="list-style-type: none"> the fee relates directly to either or both of the following: <ul style="list-style-type: none"> insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity; 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 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 the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.
Investment fees	<p>An <i>investment fee</i> is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <ul style="list-style-type: none"> fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees) costs that relate to the investment of assets of the entity, other than: <ul style="list-style-type: none"> borrowing costs; and

	<ul style="list-style-type: none"> – relate to the investment of assets of the entity; and 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 – costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.
Switching fees	<p><u>In the case of a MySuper product</u></p> <p>A <i>switching fee</i> for 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 class of beneficial interest in the entity to another.</p> <p><u>In the case of a superannuation product that is not a MySuper product</u></p> <p>A <i>switching fee</i> for a superannuation product is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one investment option or product to another.</p> <p><i>The Fund does not apply a switching fee to switches from a MySuper product to another investment option or switches between changes to investment options.</i></p>