

# Significant Event Notice

23 May 2022

Dear Member

From 1 July 2022 there will be a number of significant changes to your account. Please read the important information below for details of these changes.

## **Fees and costs restructure from 1 July 2022**

As part of our continuous review of our operations, Prime Super is restructuring its fees and costs structure to make it more equitable for all our members and to align with industry practice. In making these decisions, the Trustee believes it is acting in the best financial interests of Prime Super members.

### *What will change?*

#### *Changes to fees and costs from 1 July 2022*

Currently, members with account balances under \$6,000 are not charged administration or investment fees. From 1 July 2022, Administration fees and costs and Investment fees and costs will apply across all members. However, members with account balances under \$6,000 as at any subsequent 30 June (or closure of their account) will continue to have certain fees and costs capped at 3%, as required by law.

Additionally, Superannuation funds are required to comply with new disclosure requirements under an Australian Securities and Investments Commission (ASIC) Instrument and ASIC regulatory guidance (known as "RG 97 Disclosing fees and costs in PDSs and periodic statements") by 30 September 2022 but are able to comply earlier if they choose. Prime Super is opting to comply with these requirements from 1 July 2022. This means our new fees and costs structure will be shown in accordance with ASIC's Instrument allowing members to more easily compare fees and costs with other superannuation funds, particularly as more superannuation funds are adopting the new fees and costs disclosure requirements.

Product Disclosure Statements and Member Guides dated 1 July 2022 provide details on fee disclosure. The following tables illustrate the changes for the MySuper Investment Option.

## Fees and costs summary

### My Super Fee Structure up to 30 June 2022

MySuper Investment Option		
Type of fee	Amount	How and when paid
Investment fee <sup>1,2</sup>	0.588% gross p.a. (0.50% net p.a.) of your account balance for the first \$100,000, then nil on amounts over \$100,000.  For balances below \$6,000 there will be no investment fee charged.	The Investment fee will be deducted from your account monthly, on the last business day of the month. If you leave Prime Super, this fee is applied immediately.
Administration fee <sup>1</sup>	\$1.53 gross per week (\$1.30 net per week or \$67.60 net p.a.) For balances below \$6,000 there will be no administration fee charged.	Deducted from your account monthly, on the last business day of the month. If you leave Prime Super this fee is applied immediately.
Indirect cost ratio <sup>1,2</sup>	0.52% p.a of assets (including any Performance Based Fee) <sup>3</sup>	Deducted from investment earnings prior to the declaration of earning rates. This cost is not deducted directly from your account.
Buy-sell spread	Nil	N/A
Switching fee	Nil	N/A
Exit fee	Nil	N/A
Advice fees relating to all members investing in a particular MySuper product or investment option	Nil	There is no additional direct cost for limited personal advice regarding personal contribution strategies, investment and insurance options in relation to your account.
Other fees and costs	Other fees and costs may apply.	See "Additional explanation of fees and costs" in the Member Guide for details.

### My Super Fee Structure from 1 July 2022

MySuper Investment Option		
Type of fee	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
Administration fees and costs <sup>1</sup>	Administration fees of: \$1.53 per week  <b>Plus</b> 0.588% p.a. of your account balance, capped at \$588	The Administration fee is deducted from your account on the last business day of each month, except if you are leaving Prime Super, in which case it is deducted prior to your exit from Prime Super.
Investment fees and costs <sup>1,3</sup>	0.48% <sup>2</sup> of assets p.a.	Taken into account prior to the declaration of earning rates. This cost is not deducted directly from your account.
Transaction costs <sup>2,3</sup>	0.06% of assets p.a.	Taken into account prior to the declaration of earning rates. This cost is not deducted directly from your account.
<b>Member activity related fees and costs</b>		
Buy-sell spread	Nil	N/A
Switching fee	Nil	N/A
Other fees and costs	Other fees and costs may apply.	Activity fees and insurance fees may apply please refer to the "Additional explanation of fees and costs" section.  There continues to be no additional direct cost for limited personal advice in relation to your account.

1 If your account balance is less than \$6,000 at the end of the financial year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

2 See the next page for investment related fees and costs applicable to other Prime Super investment options before, and from, 1 July 2022.

3 The amount of the indirect cost ratio, investment fees and costs and transaction costs is an estimate only and subject to change from year to year.

### Fees and Costs relating to investing

From 1 July 2022, indirect costs (including performance based fees, where relevant) must be included in Investment fees and costs and the Indirect Cost Ratio (ICR) does not have to be separately shown. Investment fees and costs are estimated and subject to change.

Transaction costs are not new. These costs relating to the buying and selling of investments, for example, brokerage and settlement costs and were previously reflected in the overall investment related fees and the declaration of crediting rates. From 1 July 2022, transaction costs must be shown separately as part of the main Fees and costs summary table. Transaction costs are estimates only and subject to change.

#### Investment Fees and ICR up to 30 June 2022

Investment option	Investment fee (p.a.) <sup>1</sup>	ICR (p.a.)
MySuper	0.588%	0.52%
Managed Growth	0.588%	0.53%
Alternatives	0.588%	0.73%
Conservative	0.588%	0.37%
Income Focused	0.588%	0.54%
SRI Balanced	0.588%	0.66%
Australian Shares	0.588%	0.71%
International Shares	0.588%	0.38%
Property	0.588%	0.82%
Fixed Interest	0.588%	0.34%
Cash	0.588%	0.05%

#### Investment Fees and costs & Transaction costs from 1 July 2022

Investment option	Investment fees and costs (p.a.)	Transaction costs (p.a.)
MySuper	0.48%	0.06%
Managed Growth	0.50%	0.07%
Alternatives	1.05%	0.02%
Conservative	0.36%	0.03%
Income Focused	0.54%	0.06%
SRI Balanced	0.56%	0.13%
Australian Shares	0.39%	0.15%
International Shares	0.34%	0.06%
Property	1.29%	0.01%
Fixed Interest	0.20%	0.04%
Cash	0.05%	0.00%

<sup>1</sup> Investment fee applies to first 100,000 of your account balance only, then nil on amounts over \$100,000. ICR is indicative only and includes performance based fees, where relevant.

### Keeping you informed

We're here to help. If you would like more information, please call us on 1800 675 839.

Yours sincerely,

Prime Super