

# Additional information on fees and costs

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Effective 6 December 2018

The information in this document forms part of the Acumen Product Disclosure Statement (PDS) effective 6 December 2018. The information in this document should be read together with the PDS, the Investment Guide, and the relevant Member Guide before making a decision to invest in Acumen.

 [rest.com.au](https://rest.com.au)

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## How to work out your fees at a glance

Your account balance	Deducted from your account				Deducted from investment returns					
	Administration fee pa				Fees pa					
	Administration fee pa (up to \$1.60 per week)		Asset based fee (up to 0.65% pa)		Investment Fee for Core Strategy (0.67% pa)		Indirect Cost Ratio (0.09% pa)		Fees pa	Fees pa as % of your account balance
\$5,000	\$83.20	+	\$32.50	+	\$33.50	+	\$4.50	=	\$153.70	3.07%
\$10,000	\$83.20	+	\$65.00	+	\$67.00	+	\$9.00	=	\$224.20	2.24%
\$25,000	\$83.20	+	\$162.50	+	\$167.50	+	\$22.50	=	\$435.70	1.74%
\$50,000	\$83.20	+	\$325.00	+	\$335.00	+	\$45.00	=	\$788.20	1.58%
\$100,000	\$83.20	+	\$650.00	+	\$670.00	+	\$90.00	=	\$1,493.20	1.49%

The example above assumes the member is an active member (this means the member's employer is making contributions to Rest), has no insurance and is invested in the Core Strategy. No other fees have been applied and the member makes no further transactions during the year.

This is just an illustration and in practice your balance will vary. In addition, investment fees are based on the value of the relevant investment option, which fluctuates.

### Example of annual fees and costs for the Core Strategy option

The table on page 7 of the relevant PDS gives an example of how fees and costs in the Core Strategy option can affect your super investment over a one year period. You can use this table to compare this product with other super products.

## Fees and other costs

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. Taxes, insurance fees and other costs relating to insurance are set out in another part of this document. 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 costs for each investment option offered by the superannuation entity, are set out on page 4.

Acumen		
Type of fee	Amount	How and when paid
<b>Investment fee</b>	For Core Strategy, estimated to be 0.67% for the 12 months to 30 June 2018 including estimated performance related fees of 0.13%pa  For all other investment options estimated between 0.00% to 0.76% pa for the 12 months to 30 June 2018 including estimated performance related fees of up to 0.21% pa (please refer to page 4)	Accrued and reflected in the option's unit price and deducted from the income or assets underlying the investment option. The fee is not deducted directly from your account
<b>Administration fee*</b>	From \$0.00 to \$1.60 per week plus from 0.00% to 0.65% pa of your account balance at the end of each month	Deducted from your account at the end of each month
<b>Buy/sell spread</b>	Buy spread – 0.01% to 0.47% Sell spread – 0.00% The amount you pay for specific investment options is shown at page 5. Refer to page 6 for more information on buy/sell spreads.	Included in the unit price for each option when we issue units to you upon receipt of a contribution or rollover for you, or you switch your investment option
<b>Switching fee</b>	Nil	Not applicable. However, a buy spread applies when investing in an investment option
<b>Exit fee</b>	Nil for the first withdrawal (regardless if full or partial) then \$25 per withdrawal thereafter	Deducted when the transaction is processed
<b>Advice fee</b> Relating to all members investing in a particular MySuper product or investment option	Nil	Not applicable
<b>Other fees and costs</b>	Contribution splitting fee of \$60 per split	Deducted from your account at the time the contribution split is made
	Family law split fee of \$50 per split	Split between your account and your spouse's account when the split is made
	Personal advice fees, if you agree a fee with your adviser	As agreed with your adviser
	Insurance fees, if you have insurance cover	Please see your Member Guide
<b>Indirect cost ratio</b>	For Core Strategy, estimated to be 0.09% pa for the 12 months to 30 June 2018. For all other investment options, estimated between 0.00% to 0.44% pa for the 12 months ending 30 June 2018 (please refer to page 4)	Accrued and reflected in the option's unit price and deducted from the assets underlying the investment option. This amount is not deducted directly from your account

Future fees and costs may differ from past fees and costs.

\* Your employer may have negotiated a different administration fee which will be included in your Member Guide.

## Additional Explanation of fees and costs

### Investment costs

The total annual investment cost for each investment option comprises:

- an investment fee (including performance-related fees)
- its indirect cost ratio.

The amount of investment fees, performance-related fees and indirect cost ratio will change from year to year. As a guide, the table below shows estimates of these fees and costs based on information for the 12 months ending 30 June 2018 excluding the Balanced - Indexed, Australian - Indexed and Overseas - Indexed. Future fees and costs may differ from past fees and costs.

Investment option	(A) Estimated investment fees (including performance-related fees shown in column B) (pa)	(B) Estimated performance related fees (pa)	(C) Estimated indirect cost ratio (pa)	(A) + (C) Total estimated investment cost (pa)
Core Strategy	0.67%	0.13%	0.09%	0.76%
Cash Plus	0.12%	0.00%	0.06%	0.18%
Capital Stable	0.42%	0.07%	0.11%	0.53%
Balanced	0.55%	0.11%	0.11%	0.66%
Balanced - Indexed	0.00%	0.00%	0.00%	0.00%
Diversified	0.67%	0.14%	0.10%	0.77%
High Growth	0.76%	0.16%	0.10%	0.86%
Basic Cash	0.07%	0.00%	0.00%	0.07%
Cash	0.08%	0.00%	0.00%	0.08%
Bonds	0.21%	0.00%	0.03%	0.24%
Shares	0.69%	0.09%	0.00%	0.69%
Property	0.60%	0.11%	0.44%	1.04%
Australian Shares	0.75%	0.21%	0.00%	0.75%
Australian Shares - Indexed	0.00%	0.00%	0.00%	0.00%
Overseas Shares	0.66%	0.02%	0.00%	0.66%
Overseas Shares - Indexed	0.00%	0.00%	0.00%	0.00%

### Investment fees

The investment fees shown above are deducted from the assets of the relevant investment options before the unit price is determined. The investment fee is expressed as an annual percentage of the net assets of each investment option.

For each investment option, the investment fees (including performance-related fees) listed above are estimates only and are based on the financial year ended 30 June 2018. The actual investment fee applied may differ (ie higher or lower) from the estimated fees and may change without prior notice.

Where a tax deduction is available for investment fees and expenses the benefit is passed onto members through lower taxation and reduced investment fees.

Your annual statement will disclose the investment fees (including performance-related fees) that have been applied to your investment for the year. For the latest investment fees please refer to [rest.com.au/investmentfees](http://rest.com.au/investmentfees)

### Performance and performance-related fees

Some investment options may indirectly incur performance related fees. Rest does not charge a performance fee. This means that performance fees do not affect the investment fee or the administration fee. However, some investment options may indirectly incur performance-related fees. These are only incurred where investment managers outperform an agreed target return for their assigned investment

portfolio within the investment option. Performance-related fees for each investment manager may be calculated differently. However, they all have the following common elements:

- only payable to a manager if they exceed a target level of return
- calculated and accrued regularly (where possible), and incorporated into the calculation of unit prices, and
- typically payable annually.

The performance-related fee the investment managers receive and the target returns vary year to year. These performance-related fees are included in the investment fee and therefore will result in the investment fee increasing or decreasing from time to time. They are not an additional fee and do not affect the administration fee.

### Indirect cost ratio

The indirect cost ratio varies and depends on the investment option you are invested in. Each investment option has an indirect cost ratio made up mainly of any indirect costs incurred by the underlying investment vehicles or investment managers. Indirect costs can include expenses such as transactional or operational costs and administrative costs. These are estimated costs based on the information provided to Rest and will vary from year to year depending on the composition of the underlying fees and costs associated with the investment.

Investment option	Estimated gross transaction and operational costs (pa)*		Estimated borrowing costs not included in the investment fees (pa)*	Estimated property operating costs not included in the investment fees (pa)*	Buy spread range (pa)
	Implicit costs	Explicit costs			
Core Strategy	0.09%	0.12%	0.06%	0.10%	0.02 – 0.18%
Cash Plus	0.05%	0.01%	0.01%	0.00%	0.01 – 0.03%
Capital Stable	0.10%	0.07%	0.04%	0.05%	0.03 – 0.10%
Balanced	0.10%	0.09%	0.04%	0.07%	0.04 – 0.12%
Balanced - Indexed	0.00%	0.00%	0.00%	0.00%	0.05 – 0.10%
Diversified	0.10%	0.12%	0.05%	0.09%	0.06 – 0.13%
High Growth	0.10%	0.14%	0.05%	0.10%	0.07 – 0.16%
Basic Cash	0.01%	0.00%	0.00%	0.00%	0.01 – 0.03%
Cash	0.01%	0.00%	0.00%	0.00%	0.01 – 0.03%
Bonds	0.06%	0.00%	0.00%	0.00%	0.02 – 0.05%
Shares	0.09%	0.13%	0.00%	0.00%	0.05 – 0.10%
Property	0.00%	0.36%	0.51%	1.06%	0.31 – 0.47%
Australian Shares	0.08%	0.12%	0.00%	0.00%	0.05 – 0.10%
Australian Shares - Indexed	0.00%	0.00%	0.00%	0.00%	0.08 – 0.13%
Overseas Shares	0.09%	0.14%	0.00%	0.00%	0.05 – 0.10%
Overseas Shares - Indexed	0.00%	0.00%	0.00%	0.00%	0.05 – 0.10%

\*Based on figures for the 12 months to 30 June 2018, excluding the Balanced - Indexed, Australian - Indexed and Overseas Shares - Indexed. Future fees and costs may differ from past fees and costs.

## Estimated gross transaction and operational costs

Transactional and operational costs are a broad category of costs that relate to the buying and selling of investments (including investments in underlying assets). These costs will be influenced by the type of investment, the asset class and the investment managers involved in relation to that investment option. Accordingly, the transactional and operational costs will differ between the investment options.

Transactional and operational costs are made up of explicit and implicit costs and are an additional cost to members. The estimated amounts shown in the table above reflect all implicit and explicit transaction and operational costs incurred for the 12 months to 30 June 2018. Future fees and costs may differ from past fees and costs.

Explicit costs can include:

- brokerage costs – the amount paid to a broker when buying and selling underlying securities such as shares and derivatives
- settlement fees – the amount paid to manage transaction settlements
- stamp duty - tax placed on legal documents in the transfer of assets or property.

Implicit costs reflect any difference between what it costs to acquire an investment and what that investment can immediately be sold or redeemed for. It includes the bid/offer spreads (ie the difference between the price a buyer is willing to pay (the bid price) and the price a seller is willing to accept (the ask price) for a particular security). Implicit costs may be estimated when they are not known with certainty. Implicit costs are usually

incurred by investment managers buying and selling fixed income securities, foreign currency conversions and listed equities.

**Explicit transaction costs are included in the investment fee or the indirect cost ratio of the relevant investment options.** They are reflected in the investment option's unit price. Some of these transactional and operational costs are also reflected in the buy/sell spread for each investment option. See further information about our buy/sell spreads on page 6.

## Estimated borrowing costs

Borrowing costs are the expenses related to borrowing money by Rest and its interposed vehicles for investments and include costs associated with a credit facility such as interest, loan establishment fees and associated legal costs. Rest does not incur significant borrowing costs as superannuation legislation does not permit borrowing, except in very limited circumstances. However, we are permitted to invest in vehicles that can borrow.

We estimate these borrowing costs based on actual information available and/or reasonable estimates for the year ending 30 June 2018. Borrowing costs are an additional cost to members. However, they are incurred to enable returns on members' capital to be increased through a reasonable amount of leverage. Borrowing costs only reduce members' returns when an investment has significantly under performed and the borrowing costs exceed the returns generated on the borrowed capital. Borrowing costs are deducted from the assets or income of the underlying relevant investment options (where applicable) and reflected in the calculation of daily unit prices. They are not charged as a separate fee, and may vary year to year.

## Estimated property operating costs

Property operating costs are the expenses related to operating properties by Rest and its underlying investment vehicles and include costs such as council and water rates, utilities, cleaning, maintenance and lease renewal costs. We estimate property operating costs based on actual information available and/or reasonable estimates for the year ending 30 June 2018.

Depending on the property, these are either directly recovered from the tenants of the property or indirectly through rents. The estimated property operating costs reflect the gross property operating costs incurred and do not take into account any of the costs recovered. Property operating costs are an additional cost to members in that they reduce the return that members may receive from the underlying investment. However, they are necessary expenses to enable income to be earned from the relevant property investments. Property operating costs are reflected in the calculation of daily unit prices. They are not charged as a separate fee. Property operating costs may vary year to year.

## Buy spread range

Members' transactions may require investments held by Rest directly or indirectly to be purchased or sold. These underlying transactions generally incur transaction and operational costs for example stamp duty or brokerage. Buy/sell spreads are used to recover the estimated transactional and operational costs incurred when buying or selling underlying investments in relation to each investment option. If transactional and operational costs change, Rest may need to change the buy/sell spread to ensure that it continues to be able to recover these transactional and operational costs. The buy spread charged will be an additional cost to you when you contribute to your account.

There will be a separate buy and sell unit price for each investment option, the difference between the

prices is the buy/sell spread. When a contribution, switch or rollover is invested in an option, Rest will issue units at the buy price for that option. When money is withdrawn from an option, Rest will redeem units at the sell price for that option. Currently, Rest only adds an allowance for transaction costs on the buy price.

If you transfer your super account balance from one Rest product to another, you will not pay a buy/sell spread unless you also change your investment options. If you decide to switch to another investment option, your investment in your existing option/s will be withdrawn at the sell price and the proceeds will be invested in your selected investment option/s at the buy price. The process will be the same as if you were switching between investment options in the same product.

The current buy/sell spreads are set by Rest and may change within the range without prior notice.

The spreads will be reviewed on a regular basis and available online at [rest.com.au/buy-sell-spreads](http://rest.com.au/buy-sell-spreads). You should consider these costs when making any investment decision. For further information regarding the buy/sell spread, please refer to 'Investment Guide', available at [rest.com.au/pds](http://rest.com.au/pds)

## Activity fees

Rest charges members for the following activity fees as outlined in the 'Fees and costs' table on page 3.

Type of fee or cost	Definition
<b>Contribution splitting fee</b>	The fee charged if we receive a request to split your superannuation contributions with your spouse.
<b>Family law split fee</b>	The fee charged if we receive an order or agreement to split your superannuation with your spouse.

## Other fees and costs

The following fees and costs are charged to members as outlined in the 'Fees and costs' table on page 3.

Type of fee or cost	Definition
<b>Personal advice fee</b>	The fee agreed between you and your adviser for personal superannuation advice.
<b>Insurance fee*</b>	A fee is an <b>insurance fee</b> if: <ul style="list-style-type: none"> <li>(a) the fee relates directly to either or both of the following: <ul style="list-style-type: none"> <li>(i) insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity;</li> <li>(ii) 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</li> </ul> </li> <li>(b) 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</li> <li>(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 exit fee, an activity fee or an advice fee.</li> </ul>

\* For further information regarding insurance fees and conditions, please refer to the relevant Member Guide available in MemberAccess.

## Fee changes

All fees and charges are current and may be revised or adjusted by Rest from time to time. We may also introduce new fees. Where there is material or significant increase in fees or charges, we will give you at least 30 days prior notice, as required by law. This excludes investment fees which the Trustee reviews regularly.

## Tax and insurance fees

Information about tax is set out in the 'How your super is taxed' section of the Acumen PDS issued 6 December 2018. For information regarding insurance fees and conditions, please refer to the relevant Member Guide available in MemberAccess.

## Defined fees

Type of fee or cost	Definition
Activity fees	A fee is an <b>activity fee</b> if: <ol style="list-style-type: none"> <li>the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:               <ol style="list-style-type: none"> <li>that is engaged in at the request, or with the consent, of a member; or</li> <li>that relates to a member and is required by law, and</li> </ol> </li> <li>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.</li> </ol>
Administration fees	An <b>administration fee</b> 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: <ol style="list-style-type: none"> <li>borrowing costs; and</li> <li>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</li> <li>costs that are not 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.</li> </ol>
Advice fees	A fee is an <b>advice fee</b> if: <ol style="list-style-type: none"> <li>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:               <ol style="list-style-type: none"> <li>a trustee of the entity; or</li> <li>another person acting as an employee of, or under an arrangement with, the trustee of the entity, and</li> </ol> </li> <li>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.</li> </ol>
Buy/sell spreads	A <b>buy/sell spread</b> 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 <b>exit fee</b> is a fee to recover the costs of disposing of all or part of members' interests in the superannuation entity.
Indirect cost ratio	The <b>indirect cost ratio (ICR)</b> 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.
Investment fees	An <b>investment fee</b> is a fee that relates to the investment of the assets of a superannuation entity and includes: <ol style="list-style-type: none"> <li>fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees), and</li> <li>costs that relate to the investment of assets of the entity, other than:               <ol style="list-style-type: none"> <li>borrowing costs; and</li> <li>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</li> <li>costs that are not 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.</li> </ol> </li> </ol> Note: Investment fees do not include implicit transaction costs, borrowing costs or property operating costs
Switching fees	A <b>switching fee</b> 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.  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.

The information in this document is general information only and doesn't take into account your personal objectives, financial situation or needs. Please consider whether this information meets your needs. **If any information in this document is out of date, we will update the information on our website at [rest.com.au/governance](https://rest.com.au/governance) if it is not materially adverse to a person who is deciding whether to become a member. We recommend that you visit our website to check if any information in this document has been updated. If you need any further information, including a copy of the PDS and other important information or our trust deed, which are provided free of charge, contact us.**

Issued by Retail Employees Superannuation Pty Limited (Trustee)  
ABN 39 001 987 739 AFSL 240003 Retail Employees Superannuation Trust  
ABN 62 653 671 394 Unique Superannuation Identifier RES0104AU  
1376.112/18 ISS4

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