

# MAKING FEES CRYSTAL CLEAR FOR OUR MEMBERS

This is important information that applies to Energy Super members with Defined Contribution, Income Stream, Market Linked Pension, and Defined Benefit Accumulation accounts. It is effective 1 July 2015.

Energy Super has been progressively working on the transparency of our fees so you know what you're paying – both directly and indirectly – from your account.

## DIRECT FEES AND INDIRECT COSTS

Our fees are made up of both direct fees and indirect costs. **Direct fees** are largely the fixed costs related to administering your account. Your administration fee is a direct fee and at Energy Super is \$52 p.a. You will see this fee being deducted from your account.

Our **indirect costs** – known as indirect cost ratios (ICRs) – comprise percentage-based administration costs and expenses and investment management costs. They're calculated as a percentage of your account balance and deducted daily from investment earnings before they are applied to your account. Therefore you won't see this being deducted from your account.

<b>INDIRECT COST RATIO (ICR)*</b>	<p><b>Administration costs and expenses</b> 0.22% p.a. of your account balance capped at \$2,200 p.a. for eligible amounts including your linked spouse accounts</p> <p><b>PLUS</b></p> <p><b>Investment management costs</b> 0.15% – 1.06% p.a. [estimated] depending on the investment option in which you're invested</p>
-----------------------------------	--

\* ICRs are an estimate for the 2015/16 financial year based on the tactical asset allocation of each investment option as at 1 May 2015. Where relevant they include estimated performance costs which are based on an assumption about the extent to which managers are expected to outperform their benchmark. The actual costs for this and future financial years may be different. Updated estimates are posted on our website. Actual costs for each year are disclosed in our Annual Report.

## WE'RE DISCLOSING OUR UNDERLYING INVESTMENT COSTS

Energy Super appoints investment managers to help manage our members' investments, and we continually engage with them to deliver reduced fees. In some cases these managers in turn invest in a number of other investment managers. This is known as a fund-of-fund structure and this is one of the underlying investment costs we incur. We also incur transaction costs such as brokerage, buy-sell spreads and property management fees on the underlying investments.

Below are our estimated investment management costs that we calculate each year (as a percentage of assets) which is now showing the underlying costs. It also shows our latest base and performance costs.

INVESTMENT OPTION	BASE	PERFORMANCE	UNDERLYING	TOTAL
Cash Enhanced	0.11%	0.00%	0.04%	0.15%
Fixed Interest*	0.25%	0.00%	0.03%	0.28%
Stable	0.33%	0.05%	0.22%	0.60%
Capital Managed	0.37%	0.06%	0.22%	0.65%
Balanced	0.45%	0.08%	0.30%	0.83%
My Super	0.45%	0.08%	0.30%	0.83%
SRI Balanced	0.84%	0.00%	0.22%	1.06%
Growth	0.47%	0.10%	0.30%	0.87%
Australian Shares	0.30%	0.12%	0.08%	0.50%
International Shares	0.44%	0.09%	0.09%	0.62%
Smoothed Return	0.45%	0.08%	0.30%	0.83%
Capital Guarantee	0.45%	0.08%	0.30%	0.83%

\* This is a new option commencing 1 July 2015. For more information, see our *Investment Guide* from 1 July 2015.

Please note, we're disclosing our ICR investment management costs by detailing all of the *underlying* investment costs. This will help you get a full picture of where the investment costs are incurred.

**It's important to note that your actual fees have not increased as a consequence of the underlying fees.** We're simply giving you more details about what you currently pay in your investment management costs.

This document has been prepared and issued 18 May 2015. For more information about our fees, see our *Fees and Other Costs Guide*, *Income Stream Product Disclosure Statement* and *Market Linked Pension Product Disclosure Statement* or visit us at [energysuper.com.au](http://energysuper.com.au) Electricity Supply Industry Superannuation (Qld) Ltd (ABN 30 069 634 439) (AFSL 336567) is the Trustee and issuer of Energy Super (ABN 33 761 363 685). A Product Disclosure Statement (PDS) is available from [energysuper.com.au](http://energysuper.com.au) or by calling **1300 4 ENERGY** (1300 436 374). Before making an investment decision you should consider the PDS and whether Energy Super is right for you. If you need assistance, talk to one of our financial advisers.