

Important note: the information in this document forms part of the Product Information Booklet for GESB Super, dated 1 March 2021. You should read the important information in this document as part of the Product Information Booklet before making a decision. GESB Super is part of the Government Employees Superannuation Fund (GES Fund).

Consumer Advisory Warning

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask your fund or your financial adviser¹.

To find out more

If you would like to find out more or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website, moneysmart.gov.au, has a superannuation fee calculator to help you check out different fee options.

Fees and other costs for GESB Super

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. Entry fees and exit fees cannot be charged.

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 other costs for each GESB Super investment option we offer are set out overpage and in the 'Additional explanation of fees and costs' on page 3.

1. The above wording is required by law. However, the statement concerning the possibility to negotiate fees and discuss the negotiated fees with your financial adviser is not applicable to our GESB Super scheme. For more information, call your Member Services Centre on 13 43 72.

Type of fee or cost	Amount	How and when paid
Investment fee²	Nil	Not applicable Costs incurred that relate to the investment of assets and that are not otherwise charged as an administration fee or other fee mentioned in this table are deducted from the fund assets before the daily unit price is calculated The investment fee is noted as nil because it is not a separate fee, and such costs are instead included in the total Indirect Cost Ratio (ICR) shown on below
Administration fee² The fee for managing your account	\$66 p.a. (\$5.50 per month) as an account keeping fee + 0.20% p.a. of your monthly account balance	Deducted each month from your account
Buy-sell spread	Nil	Not applicable
Switching fee The fee for changing your investment option	Nil	Not applicable
Advice fees Advice fees relating to all members investing in GESB Super ³	Nil	Not applicable
Other fees and costs⁴		
Indirect Cost Ratio (ICR)^{2,5} The ICR includes amounts that have reduced or will reduce the return on your GESB Super interest, that are paid from or reduce the amount or value of the investments in the investment plan you have chosen (including those investments held through an investment vehicle). These include all investment costs related to managing the investments in the investment plan you have chosen. The ICR is not charged to you as a fee, but is deducted from investment returns before earnings are applied to your account	Estimated to be between 0.06% and 0.56% of the value of your investment depending on which investment plan you choose ⁶	Deducted from the fund's assets before the daily unit price is calculated

You can use the calculator at ASIC's website moneysmart.gov.au, or on our website at gesb.wa.gov.au/calculators to help you calculate the effect of fees and costs on your GESB Super account.

- 2 If your account balance is less than \$6,000 at the end of the financial year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.
- 3 For information on our Retirement Options Service fee, see the 'Other fees and costs' section on page 3.
- 4 Other fees and costs such as activity fees, advice fees or insurance fees may apply. Please refer to 'Additional explanation of fees and costs' on page 3.
- 5 The Indirect Cost Ratio (ICR) includes all of the investment costs and any additional underlying costs relating to your investment. It is an annual percentage fee which covers the cost of managing the fund's investments including a proportion allocated to risk reserves. GESB Super's ICR is not fixed, and is reviewed periodically and adjusted to take into account prevailing investment expenses. The actual ICR can only be determined at the end of each financial year.
- 6 The Indirect Cost Ratios for each for GESB Super's investment plans are different. They vary depending on the asset allocation and complexity of the plan. Please refer to 'Additional explanation of fees and costs' on page 3.

Example – My GESB Super plan

The following table gives an example of how fees and costs in the My GESB Super plan can affect your super investment over one year. You should use this table to compare GESB Super with other super products. Other funds use the same example as the following one so you can compare fees and costs.

Fee type	Amount	Balance of \$50,000
Investment fees	Nil (What would otherwise be an investment fee of 0.49% p.a. for the My GESB Super plan is included in the indirect costs – see below)	Not applicable For every \$50,000 you have in your My GESB Super plan you will be charged \$0 each year
PLUS Administration fees	\$66 p.a. (\$5.50 per month) + 0.20% p.a. of your account balance	And , you will be charged \$166 in administration fees (comprising \$66 regardless of your account balance, and \$100 based on your account balance)
PLUS Indirect costs for the My GESB Super plan	0.49% p.a.	And indirect costs of \$245 each year will be deducted from your investment
EQUALS Total cost of My GESB Super plan		If your balance was \$50,000 then for that year you will be charged fees of \$411 for the My GESB Super plan

Note: additional fees may apply.

Additional explanation of fees and costs

The Indirect Cost Ratio (ICR) covers investment costs. It's built into the value of each investment plan before it reaches your account.

The cost of managing different investments varies, so the total fee will differ for each investment plan. For example, investment costs for the Cash plan or Conservative plan will be lower than those for the Growth plan because growth assets are typically more complex and expensive to manage.

The following table contains our estimate for the ICR for each of the GESB Super investment plans. These estimates are based on indirect costs for the 2019/20 financial year and may change from year to year.

Investment plan	Estimated cost for managing your investment (% p.a.)	Estimated performance fee ⁷ (% p.a.) included in the estimated cost for managing your investment	Estimated total fee (ICR) (% p.a.) for managing your investment
Readymade plans			
Growth	0.54	0.09	0.54
My GESB Super	0.49	0.07	0.49
Balanced	0.42	0.05	0.42
Conservative	0.29	0.02	0.29
Cash	0.06	0	0.06
Mix Your plan			
Australian Shares	0.35	0	0.35
International Shares	0.33	0	0.33
Property	0.56	0	0.56
Fixed Interest	0.19	0	0.19
Cash	0.06	0	0.06

⁷ The estimated performance fees shown are calculated by combining the estimated performance fees charged by the underlying investment managers for each of the investment options listed.

Other fees and costs

Type of fee or cost	Amount ⁸	How and when paid
Advice fee - Retirement Options	\$490	To be paid before your Retirement Options Service appointment

Retirement Options Service

You can pay in one of the following ways at the time of your appointment:

- Authorise us to deduct the fee directly from your eligible super or retirement income account, by completing an **'Authority to deduct'** form
- Pay the fee directly from your nominated cheque or savings account, or by credit or debit card

If you have an appointment together with another GESB member (e.g. your partner), where both accounts will be discussed, you will be given a double appointment and will each be charged an individual fee (the total fee amount can't be paid out of one member's account).

If you have an appointment and bring someone with you who is not a GESB member (e.g. your partner), only a single session will be arranged, and one fee charged (as this service is not available to non-members).

Performance fees

Performance fees may be paid to some of our external investment managers if the investment return on the assets they manage exceeds their agreed performance targets. Performance fees have an impact on the amount of investment management fees paid, which is reflected within the ICR. Performance fees are typically calculated as a percentage of the amount by which the investment manager exceeds the performance targets and are deducted from investment plan returns before the unit price is calculated on a daily basis. The latest performance fees paid range from 0.00% p.a. to 0.09% p.a. as a percentage of the total value of the GESB Super scheme, depending on the individual investment plan. The ICR and performance fees may change periodically.

Defined fees

This section defines the different fees and costs that are able to be deducted from your account. Please read it carefully as it explains how those fees are defined, and what fees and costs we charge GESB Super members.

Activity fees

A fee is an activity fee if:

- a) The fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
 - (i) that is engaged in at the request, or with the consent, of a member, or
 - (ii) that relates to a member and is required by law, and
- b) Those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

For more information, please call your Member Services Centre on 13 43 72.

Administration fees

An administration fee is a fee that relates to the administration or operation of the superannuation entity (GESB Super) and includes costs that relate to the administration or operation, other than:

- a) borrowing costs; and
- b) indirect costs that are not paid out of GESB Super that we have elected in writing will be treated as indirect costs and not fees, incurred by us or in an interposed vehicle⁹ or derivative financial product; and
- c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Your GESB Super administration fee is the sum of:

- \$66 per annum
- 0.20% per annum of your monthly account balance

This fee is deducted from your account monthly.

⁸ The fees in this table are subject to annual indexation, which will be applied on 1 July each year.

⁹ We invest in a number of different unit trusts. In line with ASIC Regulatory Guide 97 (RG97), we have classified these unit trusts as interposed vehicles, as they are positioned between us and the underlying assets. The fees for the interposed vehicles, as defined in RG97, are included in the ICR.

Advice fees

A fee is an advice fee if:

- a) 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:
 - (i) a trustee of the entity, or
 - (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity, and
- b) Those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

Buy-sell spreads

A buy-sell spread is a fee to recover transaction costs incurred by us in relation to the sale and purchase of the superannuation entity's assets.

No buy-sell spread currently applies to your GESB Super account.

Exit fees

An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in GESB Super.

No exit fees apply to your GESB Super account.

Indirect Cost Ratio

The Indirect Cost Ratio (ICR) for an investment plan offered by a superannuation entity, is the ratio of the total of the indirect costs for the investment plan, to the total average net assets of the superannuation entity attributed to the investment plan.

Note: a fee deducted from your account or paid out of the superannuation entity is not an indirect cost.

The ICR is not charged to you as a fee but is deducted from investment returns before earnings are applied to your account.

The ICR for each investment plan that you can choose in GESB Super is set out on page 3.

Insurance fees

A fee is an insurance fee if:

- The fee relates directly to either or both of the following:
 - insurance premiums paid by us in relation to a member or members of GESB Super
 - costs incurred by us in relation to the provision of insurance for a member or members of GESB Super
- 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
- The premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an advice fee

Insurance fees apply.

See section 8 of our '**GESB Super Product Information Booklet**' available at gesb.wa.gov.au/brochures for more information.

Investment fees

An investment fee is a fee that relates to the investment of the assets of a superannuation entity (GESB Super) and includes:

- Fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees), and
- Costs that relate to the investment of assets of the entity, other than:
 - (i) borrowing costs; and
 - (ii) indirect costs that are not paid out of GESB Super that we have elected in writing will be treated as indirect costs and not fees, incurred by us or in an interposed vehicle or derivative financial product; and
 - (iii) costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee; but does not include property operating costs.

A fee is applied that would ordinarily be regarded as an investment fee under the above description, which varies depending on the investment plan that is applicable to your account. However, this fee is deducted from the relevant investment plan's assets before the daily unit price is calculated. The fee is therefore not a separate investment fee charged to members and is captured within the ICR.

Transactional and operational costs

Transactional and operational costs are costs incurred when we or our investment managers buy or sell investments, including such costs incurred in or by an interposed vehicle. They may include costs such as brokerage, settlement costs (including settlement related custody costs), bid-ask spreads, stamp duty on investment transaction costs and clearing costs, and buy- sell costs for our underlying investments (where applicable). Transactional and operational costs do not include borrowing costs or property operating costs.

The buy-sell costs of our underlying investments are not passed on to you as a fee to be paid to us or an external manager, as no buy-sell spread is currently applied directly to your GESB Super account. However, buy-sell costs will reduce the returns on your selected investments.

Where the amount needed to buy an investment exceeds the price that it would be disposed of at that time, the difference is the bid-ask spread. The bid-ask spread is an implicit transactional and operational cost.

All explicit transactional and operational costs (i.e. those other than the bid-ask spread, which is an implicit transactional and operational cost) are included in the ICR for each investment plan. Transactional and operational costs are an additional cost to you and are deducted from the fund's underlying assets before the daily unit price is calculated. The latest estimated explicit transactional and operational costs range from 0.00% p.a. to 0.13% p.a. of the value of your investment, depending on the individual investment plan and are based on the actual information available and/or reasonable estimates. Transactional and operational costs may vary from year to year.

Switching fees

A switching fee is a fee to recover the costs of switching all or part of a member's interest from one investment option or product in the entity to another.

We do not charge switching fees for your GESB Super account.

Tax

GESB Super is generally able to claim a tax deduction on the fees. We pass on the benefit of the tax deduction to your account annually or at the time you exit the scheme. Please refer to our '**Tax and super**' brochure available at gesb.wa.gov.au/brochures for more information on how your super is taxed in your GESB Super scheme.

Borrowing costs

Borrowing costs are costs, including costs in an interposed vehicle, relating to a credit facility for the provision of credit to us or an interposed vehicle, or a trustee of an interposed vehicle, in or through which the property of the superannuation fund is invested, and may include loan establishment fees, commitment and drawdown fees, interest, legal fees incurred in relation to the loan and other related costs. Borrowing costs are an additional cost to you and are deducted from the fund's underlying assets before the daily unit price is calculated. They are not included in the ICR. The latest estimated borrowing costs range from 0.00% p.a. to 0.05% p.a. of the value of your investment, depending on your investment plan and are based on the actual information available and/or reasonable estimates. Borrowing costs may vary from year to year.

Property operating costs

Property operating costs are amounts paid or payable relating to the holding of an investment in real property or an interest in real property, but do not include borrowing costs, amounts that are paid or payable relating to the acquisition or disposal of real property or any interest in real property, or an amount which is otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee. Property operating costs may include council and water rates, utilities and lease renewal costs. Property operating costs are an additional cost to you and are deducted from the fund's underlying assets before the daily unit price is calculated. They are not included in the ICR. The latest estimated property operating costs range from 0.00% p.a. to 0.07% p.a. of the value of your investment, depending on your investment plan and are based on the actual information available and/or reasonable estimates. Property operating costs may vary from year to year.

We may make changes to the fees we charge

We reserve the right to review and change the fees in this section without your consent to ensure the structure and level of fees is appropriate, including any additional costs resulting from any government taxes or statutory charges. We will always inform you of any changes through our website at gesb.wa.gov.au or through your member statement. If the change is an increase in fees or charges, we will give you at least 30 days' notice where required by law.

Disclaimer: the information contained in this brochure is of a general nature, and does not constitute legal, taxation or personal financial advice. In providing this information, we have not considered your personal circumstances including your investment objectives, financial situation or needs. We are not licensed to provide financial product advice. Before acting or relying on any of the information in this brochure, you should review your personal circumstances, and assess whether the information is appropriate for you. You should read this brochure in conjunction with the relevant Product Information Booklet and disclosure documents at gesb.wa.gov.au/brochures. You may also wish to seek advice specific to your personal circumstances from a suitably qualified adviser.

How to contact us

T Member Services Centre 13 43 72

F 1800 300 067

W gesb.wa.gov.au

PO Box J 755, Perth WA 6842

Government Employees Superannuation Board ABN 43 418 292 917