

# SPEC Pension Supplementary Product Disclosure Statement

## Date of Issue: 6 January 2010



This Supplementary Product Disclosure Statement (SPDS) replaces the 'Fees and other costs' table on pages 18 and 19 of the SPEC Pension PDS issued on 6 January 2010 and explains what types of fees and costs you may be charged. This SPDS must be read in conjunction with the SPEC Pension PDS. This SPDS dated 6 January 2010 is issued by SPEC(QLD) PTY. LTD. (ABN 60 010 743 405, AFSL No. 325 122), the Trustee of SPEC Super (ABN 45 404 406 059).

### 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 fund 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 may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### 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 ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a superannuation fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole. You should read all the information about fees and costs because it is important to understand their impact on your investment. Fees and costs for particular investment options are set out below.

Please note that SPEC Super is unable to negotiate fees with individual members, as we do not charge any contribution fees or advisory fees.

Type of fee or cost	Amount	How & when paid
<b>Fees when your money moves in or out of the fund</b>		
<b>Establishment fee:</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee:</b> The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable
<b>Withdrawal fee:</b> The fee on each amount you take out of your investment	\$100	Deducted from your account at time of any lump sum payment. No fee is charged for benefit payments due to retirement, death, terminal illness, TPD, permanent incapacity, financial hardship, specified grounds or transfers to ISPF (the Fund's Eligible Rollover Fund).
<b>Termination fee:</b> The fee to close your investment	Nil (see withdrawal fee above)	Not applicable
<b>Management costs</b>		
The fees and costs for managing your investment.	\$91.00 p.a. (\$1.75 per week)	The \$1.75 per week fee is an administration fee deducted weekly from your account balance.
The amount you pay for specific investment options is detailed below.	0.17% – 0.68% p.a. (\$1.70 to \$6.80 per \$1,000)	The fees and costs calculated as a percentage of Fund assets are deducted from the Fund's investment earnings before the interest-crediting rate is determined. This comprises management costs of the Fund as well as fees paid to Fund managers.
Performance fees*	Estimated to be between 0% and 0.17% p.a. of your account balance, depending on your investment options.	This amount is already deducted from investment returns before they are credited or debited to member accounts.
Other management costs: Asset fee	Up to 0.08% of assets	This amount is already deducted from investment returns before they are credited or debited to member accounts. Effective 1 July 2009.
<b>Service fees</b>		
First Investment switching fee:	Nil	No fee is charged for your first switch in each financial year.
Subsequent fee for switching investment options:	\$50	Deducted from your account balance at the time of your second and subsequent switches in the same financial year.
Insurance Administration fee	5% of the death cover premium	Deducted weekly from your account in addition to the insurance premium if you have Death insurance cover. Effective 1 July 2009.
Location fee	\$40	Payable if your address is incorrect and we need to use our search agency to locate you. The fee is deducted from your account balance at the time your address is updated.
Family law enquiry fee	\$110	Charged to process requests for information from your spouse, and is payable by cheque by your spouse at the time of processing a request for information.
Family law splitting fee	\$100	Charged for splitting an account.

\*Please contact SPEC Super for more information about the performance fees applying to each investment option.

# Example of annual fees and costs for a balanced investment option

This table gives an example of how the fees and costs in the balanced investment option for this product can affect your superannuation investment over a 1-year period. You should use this table to compare this product with other super products.

EXAMPLE – the Balanced Investment Option		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0
PLUS Management Costs	0.57% + 0.08% + 0.10% (performance fee) + \$91 p.a. (\$1.75 per week)	And, for every \$50,000 you have in the fund you will be charged \$375 each year plus \$91 in administration fees, regardless of your balance each year.
EQUALS Cost of fund		If you put \$5,000 in during a year and your balance was \$50,000, then for that year you will be charged fees of \$466*. What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

EXAMPLE – the Balanced Investment Option		Balance of \$20,000 with a contribution of \$5,000 during year
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0
PLUS Management Costs	0.57% + 0.08% + 0.10% (performance fee) + \$91 p.a. (\$1.75 per week)	And, for every \$20,000 you have in the fund you will be charged \$150 each year plus \$91 in administration fees, regardless of your balance each year.
EQUALS Cost of fund		If you put \$5,000 in during a year and your balance was \$20,000, then for that year you will be charged fees of \$241*. What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

\* Additional fees may apply

## Additional Explanation of fees and costs

Note that the figures used in the examples above apply to SPEC Super's Balanced option. For Tax costs, refer to the Taxation section of this document. The Fund passes the benefit of any taxation deductions indirectly to members through the crediting rates. Fees and costs may be reviewed at any time by the Trustee. However, members will be notified in writing at least 30 days in advance of any increase to a fee charged by the Trustee. The indirect costs component of the management costs comprise expenses of the Fund, including fees paid to Fund managers, and these may change at any time. Performance fees are paid by the Fund to underlying Fund managers where a manager has out-performed a pre-determined benchmark. For the year ended 30 June 2009, total performance fees represented 0.11% of the Fund's average net assets and were paid to four Fund Managers (in relation to six investment products) who outperformed their respective benchmarks of the ASX/SP200 Accumulation Index, CPI plus 6% p.a., the MSCI World ex Australia Index, the MSCI World ex Australia Hedged Index, USBA Bank Bill Index and the S & P/ASX 300 Accumulation Index.

### Operational costs for each investment option

Investment option costs p.a.#

Diversified options		Single Asset Class options	
Balanced	0.57%	Cash**	0.17%
Capital Stable*	0.51%	Cash Enhanced	0.17%
Growth (High Risk)	0.57%	Australian Shares*	0.34%
		International Shares*	0.68%

Note: The operational costs were the actual costs averaged over the financial year ended 30 June 2009, except for those new options

\*available from 1 October 2008 and

\*\*available from 1 January 2009 which are based upon estimates.

These figures exclude the 0.08% asset fee and any performance fees.

# These costs are deducted from the Fund's investment returns before interest crediting rates are determined.

**You benefit through low fees and no commissions**

SPEC Super is run only to benefit members. We do not pay commissions to financial advisors. We have low fees. This is what makes us an Industry Super Fund. We are here to help you generate your wealth.