

Fees and other charges

Offer document

This document provides additional information about the fees and other charges involved if you are a member of my**super** Superannuation Scheme (**Scheme**). It should be read in conjunction with the Product Disclosure Statement (**PDS**) which is available at mysuper.co.nz/disclose

Shamrock Superannuation Limited (**Shamrock**) is the trustee and manager of the Scheme.

The Scheme is governed by the Trust Deed, the Financial Markets Conduct Act 2003, the Trusts Act 2019 and the KiwiSaver Act 2006 (amongst other laws). The provisions in the Trust Deed prevail over anything to the contrary in any other document. The provisions of the Trust Deed (and applicable legislation) may change in the future.

Some terms used in this document are defined in the Trust Deed and in applicable legislation.

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1. Estimated annual fund charges

The total estimated annual fund charges for the Investment Funds (**Fund**) are described in the PDS.

The Financial Markets Conduct Act 2013 and Financial Markets Conduct Act Regulations 2014 (**Regulations**) prescribe how and where the Scheme must disclose fees which are called 'annual fund charges'.

Shamrock does not charge a 'manager's basic fee'. Shamrock only charges 'other management and administration charges' which comprises investment management fees, performance fees for Scheme investments in unrelated underlying funds, and administration fees as described below.

'Other management and administration charges' are deducted from the investment returns before they are applied to member accounts. This means you will not see a 'line item' deduction in your account. Please see the Fund Updates and Investment Option Update for details on the 'annual fund charges' for your chosen Fund.

INVESTMENT MANAGEMENT FEE

The investment management fee is used to pay for the investment management services of the underlying fund managers for managing the underlying funds into which the assets of the Scheme are invested.

ADMINISTRATION FEE

The administration fee is used to contribute to the costs of the administration of the Scheme. These include, for example, but are not limited to, fees for audit, printing and distribution, regulatory compliance, information technology, administration manager charges, withdrawal fees and other professional service fees.

2. Basis of estimates for annual fund charges in PDS

Annual fund charges are disclosed in the PDS and in the Fund Updates:

- The PDS provides an **estimate** based on the ongoing level of fees (i.e. forward looking); and
- The Fund Updates / Investment Options Updates shows the total actual fees charged from the last Scheme year (i.e. backwards looking), subject to estimates where actual fees have not been finalised.

The PDS must state the total annual fund charges as a percentage of the net asset value of each fund. Where the fund charges involve amounts that are fixed at the date of the PDS (as percentages of the net asset value) those amounts must be used. However, if fund charges are not known (at the date of the PDS) the Regulations require a best estimate to be used.¹

The Regulations prescribe that estimates must be made on the basis of reasonable assumptions taking into account the actual fees and costs as a percentage of average net asset value that were charged for the most recent Scheme year. This prescribed approach 'anchors' what fees must be shown in the PDS.

The estimated annual fund charges:

- are inclusive of GST (if any)
- are made up of:
 - the actual management fees charged by the investment managers of the underlying investment funds into which the assets of the Scheme are invested,
 - estimates of any performance fees payable for fund investments in unrelated underlying funds (there are currently no other performance-based fees); and
 - estimates of administration fees associated with the costs of administering the Scheme (such as underlying fund charges not included in investment management fees, legal, audit, regulatory, independent trustee and other administrative costs).

1. This approach is required under clause 32, schedule 4 of the Regulations.

The estimated amounts within the annual fund charges are based on actual fees charged to members in previous financial years (including the most recent Scheme year), before any reduction in fees made by the Trustee in any relevant year after exercising its discretion to do so by making a distribution from the Scheme's Reserve Account. Fund updates and Investment Option Updates including past updates, are available at mysuper.co.nz/disclose

The estimated annual fund charges also include an estimate for performance fees charged by Milford Funds Limited (**Milford**), one of the Scheme's underlying investment managers, for management of its (unrelated) underlying investment fund. The estimate for the Milford performance fee is based on Milford's accrual of its performance fees in any period where it is permitted to do so under its investment terms. The accrual is reversed if the Milford investment fund performance does not meet performance criteria at each 31 March.

No other underlying investment manager currently charges a performance fee for management of its (unrelated) underlying investment fund. An unrelated underlying investment fund is any fund which the Scheme is invested into, that is not managed by the Trustee (as investment manager for the Scheme) or a related party of the Trustee.

The Trustee (as investment manager for the Scheme) does not charge a performance fee, and there are also no performance fees charged by the Trustee, or a related party of the Trustee, in any other funds they manage and which the Scheme is invested into.

Shamrock regularly reviews fees with members' best interests in mind from a value for money perspective. In addition, Shamrock's entitlements to recover expenses and costs from the locked section are subject to the reasonable fees restrictions prescribed in the KiwiSaver Act 2006.

RESERVE ACCOUNT DISTRIBUTION

While there is no guarantee Shamrock will exercise its discretion to make a distribution from Reserve Account to cover part of the annual fund charges, it has done so since 2007.

3. Individual action fees

The information in this section is incorporated by reference into the PDS for mysuper.

Individual action fees are fees charged on an individual basis for investor-specific decisions or actions. The individual action fees that we may charge are set out below.

Description of fee	Amount ²	How and when the fee is payable
Fund switch fee	\$80.00	Deducted from your mysuper account on the date of switch.
Written benefit quote fee	\$100.00	Deducted from your mysuper account on the date the written benefit quote is provided.
Withdrawal fee - Unlocked Contributions	\$0.00	Not applicable.
First home withdrawal fee (or second home withdrawal if permitted)	\$0.00	Not applicable.
Significant Financial Hardship withdrawal fee	\$0.00	Not applicable.
Serious Illness withdrawal fee	\$0.00	Not applicable.
Death benefit withdrawal fee	\$0.00	Not applicable.
Permanent emigration withdrawal (not to Australia)	Bank fees, and currency conversion fees which may be significant	<p>You will be charged all currency conversion and bank fees.</p> <p>The withdrawal will be exchanged into the currency of the country you have permanently emigrated to at the prevailing exchange rate.</p> <p>The value of your investment will go up or down according to changes in the exchange rate between the New Zealand dollar and the currency of the country you have permanently emigrated to. This change in currency may be significant and you may also incur significant bank fees.</p>

2. Includes GST. Subject to change.

Description of fee	Amount ³	How and when the fee is payable
Permanent emigration withdrawal (transfer to Australian complying superannuation scheme)	Bank fees, and currency conversion fees which may be significant	<p>You will be charged all currency conversion and bank fees.</p> <p>The withdrawal will be exchanged into Australian dollars at the prevailing exchange rate.</p> <p>The value of your investment will go up or down according to changes in the exchange rate between the New Zealand dollar and Australian dollar. This change in currency may be significant and you may also incur significant bank fees.</p>
Insurance	<p>Insurance premiums payable for the optional life and income protection insured benefit, if applicable, will be deducted from your mysuper account.</p> <p>The insurance premium is calculated by multiplying your insured amounts for each benefit by the premium rate equivalent to your age and gender as detailed on the current premium rate schedule held by Shamrock.</p> <p>The premium calculation date is 1 October each year or the date of commencement of membership (whichever is later).</p> <p>Further information is available in the 'Optional Life and Income Protection Insured Benefit' document at mysuper.co.nz/disclose</p>	

3. Includes GST. Subject to change.