



Public Sector Superannuation accumulation plan

Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement ('SPDS') dated 4 November 2009 supplements the Public Sector Superannuation accumulation plan Product Disclosure Statement, second edition, dated 17 April 2007 issued by Australian Reward Investment Alliance ('ARIA') (ABN 48 882 817 243) (ASFL 238069) ('PDS') and should be read together with the PDS.

This SPDS provides general information only, and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider this information in light of your own personal objectives, financial situation or needs. You may wish to consult a licensed financial planner to do this.

The PDS is amended by deleting pages 68 to 73 and replacing them with the following information.

Fees and other costs

DID YOU KNOW?

Small differences in investment performance and fees and costs can have a substantial impact on your long-term investment 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 has a super fee calculator to help you check out different fee options (www.fido.asic.gov.au).

** We are required by law to provide you with the above information. The information provided can help you compare different super funds and their products to the PSSap. As contribution fees for the PSSap are not charged and the only management costs are the investment management costs recovered from the Fund as a whole you cannot negotiate the contribution fees and management costs with the PSSap.*

Fees and costs

This document shows fees and other costs that we may charge you. We may deduct these fees and costs from your money, from the returns on your investment or from the Fund assets as a whole. Taxes and insurance costs are set out in another part of this document. 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 in the **Product Disclosure Statement on page 50**.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee: The fee to open your investment.	Nil	
Contribution fee: The fee on each amount contributed to your investment – either by you or your employer.	Nil A buy spread applies*	
Withdrawal fee: The fee on each amount you take out of your investment.	Nil A sell spread applies*	
Termination fee: The fee to close your investment.	Nil A sell spread applies*	
Management costs		
The fees and costs for managing your investment.	Range from 0.13% to 0.89% per annum of the Fund's assets, depending on the investment option. There is a potential for Performance Based Fees (PBFs) to be charged in addition to management costs. See Additional explanation of fees and costs in the Product Disclosure Statement on page 70 for management costs and PBFs for specific investment options.	The management costs and any applicable PBFs are deducted from the value of the underlying assets in the ARIA Investments Trust for each investment option. This is done, on each business day, via determination of the ARIA Investments Trust unit price on which the unit prices for PSSap are based.

Service fees*		
Investment switching fee: The fee for changing investment options.	NIL for the initial nomination of investment options if made within 30 days of joining the PSSap. NIL for the first two (2) switches in any financial year. Additional switches are \$20 each. A buy-sell spread applies*.	This fee will be deducted from your PSSap super account when the switch is processed.

* Please see **Additional explanation of fees and costs in the Product Disclosure Statement on page 70** for additional service fees such as reconsideration fees and transfer fees which may be charged. For insurance costs see **pages 40 to 42 in the Product Disclosure Statement**.

Additional explanation of fees and costs

Table 14a: Management costs for individual investment options

Management costs are reflected in the applicable unit price. This table shows management costs for each investment option based on actual expenses incurred.

Investment option	Management costs per annum (excluding PBFs) ¹	Worked example – annual management costs on \$50,000 investment (assuming there is no change in the unit price over the year and excluding PBFs)	Performance based fees ²	Worked example annual performance based fees on \$50,000 investment (see notes below)
Pre-mixed options				
Conservative	0.42%	x \$50,000 = \$210	0.01%	x \$50,000 = \$5
Balanced	0.69%	x \$50,000 = \$345	0.02%	x \$50,000 = \$10
Trustee choice	0.89%	x \$50,000 = \$445	0.02%	x \$50,000 = \$10
Aggressive	0.88%	x \$50,000 = \$440	0.02%	x \$50,000 = \$10
Individual asset class options				
Cash	0.13%	x \$50,000 = \$65	Nil	
Government bonds	0.29%	x \$50,000 = \$145	Nil	
Australian shares	0.45%	x \$50,000 = \$225	0.02%	x \$50,000 = \$10
International shares (unhedged)	0.72%	x \$50,000 = \$360	Nil	
International shares	0.72%	x \$50,000 = \$360	Nil	
Property	0.58%	x \$50,000 = \$290	0.03%	x \$50,000 = \$15
Sustainable	0.53%	x \$50,000 = \$265	Nil	

Notes to Table 14a

1. Fees reflected in future unit prices may be different. This could occur, for example due to changes to the strategic asset allocation, changes to the weighting and composition of, or the fees charged by, underlying investments. Further, administration costs incurred in future may differ.

Our management costs do not represent a cap on the amounts that may be reflected in unit prices.

2. We pay performance based fees (PBFs) to some investment managers. If the performance of an investment manager exceeds certain benchmarks, they will become entitled to a PBF and this will increase management costs. Accordingly, PBFs arise when higher returns are achieved by the investment manager and will limit the extent to which the performance of an investment option is boosted.

Actual PBFs will depend upon the level of performance achieved by investment managers that charge PBFs, and the weighting of those managers in the relevant investment option.

Table 14b: Buy-sell spreads for individual investment options (estimated)

This table shows the buy and sell spreads for each investment option expressed as a percentage of a contribution amount (in the case of a buy spread) and a withdrawal amount (in the case of a sell spread). It also gives worked examples illustrating the cost of a buy spread or sell spread associated with a contribution or withdrawal of \$5,000 in relation to each investment option. For a switch, both a buy and a sell spread will be applied.

Investment option	BUY SPREAD (estimated)	SELL SPREAD (estimated)	WORKED EXAMPLE - ESTIMATED BUY SPREAD
Pre-mixed options			
Conservative	0.125%	0.125%	x \$5,000 = \$6.25
Balanced (50/50)	0.205%	0.205%	x \$5,000 = \$10.25
Trustee choice	0.225%	0.225%	x \$5,000 = \$11.25
Aggressive	0.245%	0.245%	x \$5,000 = \$12.25
Individual asset class options			
Cash	0.000%	0.000%	x \$5,000 = \$0
Bonds/Fixed interest	0.030%	0.030%	x \$5,000 = \$1.50
Australian shares	0.200%	0.200%	x \$5,000 = \$10.00
International shares (unhedged)	0.210%	0.210%	x \$5,000 = \$10.50
International shares (hedged)	0.210%	0.210%	x \$5,000 = \$10.50
Property	0.400%	0.000%	x \$5,000 = \$20.00
Sustainable	0.200%	0.200%	x \$5,000 = \$10.00

Notes to Table 14b

The buy-sell spread seeks to reflect the cost to the PSSap of acquiring or disposing of investments in the relevant investment option. This cost is sought to be recovered from transacting members by adjusting the unit price applicable for investments into, and withdrawals from, each investment option, and the buy-sell spread is thereby an additional cost to members. No part of the buy-sell spread is paid to us or any underlying investment manager.

Additional service fees

The following additional service fees may be payable in relation to your investment in the PSSap:

- > **adviser service fees** – NIL
- > **reconsideration fee** – we charge a fee of \$150 for each request for reconsideration of a decision made by ARIA. This fee must be paid when you lodge your application for reconsideration. The fee will be refunded if your request is not accepted for investigation and also in the event that you are successful. There is no reconsideration fee payable for requesting a reconsideration of a decision by a delegate of ARIA.
- > **transfer fee** – the first transfer to another fund in a 12-month period is free. Subsequent transfers in the same period incur a fee of \$20 each.

We pay no commissions

We do not pay commissions to financial advisers. We do have an investment in State Super Financial Services Australia Limited which provides financial planning services.

Super account balances less than \$1,000

Account balances of \$1,000 or less are ‘member protected’ which means that we are not able to deduct administration costs (e.g. an investment switching fee) that will bring the balance under \$1,000. This may prevent us from processing transactions that might cause this to happen. It is important you check your PSSap super account balance before asking for any transactions which may incur a fee. If we are unable to process a transaction you asked for, we will let you know.

Changes to fees and costs

We may change these fees and costs from time to time. We will let you know of any fee change that we believe will materially affect you at least 30 days before the changes take effect.

GST

All fees and costs in this section are inclusive of GST less any reduced input tax credits the PSSap may be entitled to.

Table 15: Example of annual fees and costs for a balanced investment option

This table shows an example of how the fees and costs in the Trustee Choice investment option for this product can affect your super investment over a one (1) year period. You should use this table to compare this product with other super products you may be considering.

Example – the Trustee Choice option (a balanced investment option)		Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution Fees	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	0.91%*	And , for every \$50,000 you have in the Fund you will be charged \$455 each year.
EQUALS Cost of the Fund		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged fees of: \$455** What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser***.

* This amount includes management costs of 0.89% and performance based fees (PBFs) of 0.02%. These fees are based on actual costs incurred and future costs may differ from those shown. See **Performance based fees** in the **Additional explanation of fees and costs** on page 3 for more information.

**Extra fees may apply. This may include performance-based fees, reconsideration fee and the charging of a buy-sell spread on investments, withdrawals and switches.

***We are required by law to provide you with this information. PSSap's fees are not negotiable.