

Fee Guide

Zurich Superannuation Plan and Zurich Account-Based Pension
Issue date: 22 June 2012



Important notes

Preparation date: 4 June 2012

This document is the **“Zurich Superannuation Plan / Zurich Account-Based Pension: Fee Guide”** referred to in the Zurich Superannuation Plan (‘ZSP’) and Zurich Account-Based Pension (‘ZABP’) Product Disclosure Statement (‘PDS’), dated 22 June 2012, and the “Zurich Superannuation Plan and Zurich Account-Based Pension PDS – Member Advice Fee option”, dated 22 June 2012, and forms part of those PDSs.

We may update this document from time to time in accordance with the Fund’s Trust Deed and the law. The updated document will be available on our website and you can obtain a copy free of charge upon request. You should keep a copy of this document and any updates to it for your reference.

The PDS is an important document and is available online at www.zurich.com.au or by calling the Client Service Centre on 131 551. You should read the PDS and all incorporated documents referred to in the PDS (available online at www.zurich.com.au/ZSPandZABP) in full before making a decision about the ZSP or ZABP.

The information contained in this document is general information only. It does not take into account your personal investment objectives, financial situation or particular needs. You should consider the appropriateness of this product having regard to your objectives, financial situation and needs. We recommend you seek professional financial advice before making any decision affecting your investment in this product.

The information in this document, including taxation matters, is based on our understanding of the law as at the date of preparation of this document and may be updated from time to time.

‘The Trustee’ means Zurich Australian Superannuation Pty Limited ABN 78 000 880 553, AFSL 232500, who is the trustee of the Zurich Master Superannuation Fund ABN 33 632 838 393 (the ‘Fund’) and the issuer of ZSP.

‘Zurich’, ‘us’, ‘our’ and ‘we’ normally means Zurich Australia Limited ABN 92 000 010 195, AFSL 232510. Zurich is the administrator of ZSP, and the issuer of insurance policies to the Trustee.

Any organisations referred to in this document, including any external investment managers, have consented to the references to their organisations in this document.

About this Guide

This Guide shows the fees and other costs that you may be charged on the ZSP and ZABP. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole.

Please note that insurance costs, in the case of ZSP, are set out in more detail in the **“Zurich Superannuation Plan – Optional Protection Benefits Information Booklet”** located at www.zurich.com.au/ZSPandZABP.

It is important that you read all the information regarding fees and costs and understand the impact they may have on your investment.

Fees and other costs

This document shows fees and other costs that you may be charged on the ZSP and ZABP. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole.

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.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

All fees for the Zurich Superannuation Plan are gross of the tax deduction which Zurich will receive, however as Zurich passes that deduction on to you in the form of a reduced fee, the figure in brackets represent the actual maximum cost that you will be charged.

You can use the information in the following tables, which provides a summary of the fees and costs payable, to compare the fees and costs of ZSP and ZABP with those of other super and pension products.

You have 2 different fee structure options to chose from:

- (1) commission-based remuneration fee structure
- (2) member advice fee remuneration fee structure

For an explanation of the two structures, please see 'Adviser Remuneration' under the heading 'Additional Explanation of Fees and Costs' on page 7.

Fees and costs for particular investment options are set out in **"Zurich Superannuation Plan/Zurich Account-Based Pension – Information Booklet on investment options"**, located at www.zurich.com.au/ZSPandZABP.

Zurich Superannuation Plan – Fees and Costs													
	Member Advice Fee remuneration	Commission based remuneration	How and when paid										
Fees when your money moves in or out of the Fund													
Establishment Fee The fee to open your account	Not applicable	Not applicable	Not applicable										
Contribution Fee¹ The fee on each contribution to your investment option	Not applicable	0% to 5.88% (5.00%*)	This fee is deducted from your account balance after each investment or rollover is credited but before units in investment options are purchased.										
Withdrawal Fee The fee on each amount you take out of your investment	Not applicable	Nil	Not applicable										
Termination Fee The fee to close your investment	Not applicable	Not applicable	Not applicable										
Management costs – The fees and costs for managing your investment													
Portfolio Management Charge	<table border="1"> <thead> <tr> <th>Account Balance</th> <th>Portfolio Mgmt Charge %pa*</th> </tr> </thead> <tbody> <tr> <td>Less than \$20,000</td> <td>1.24% (1.05%)^</td> </tr> <tr> <td>\$20,000 – \$99,999</td> <td>1.00% (0.85%)^</td> </tr> <tr> <td>\$100,000 – \$249,999</td> <td>0.88% (0.75%)^</td> </tr> <tr> <td>\$250,000+</td> <td>0.59% (0.50%)^</td> </tr> </tbody> </table>		Account Balance	Portfolio Mgmt Charge %pa*	Less than \$20,000	1.24% (1.05%)^	\$20,000 – \$99,999	1.00% (0.85%)^	\$100,000 – \$249,999	0.88% (0.75%)^	\$250,000+	0.59% (0.50%)^	This fee is charged as a percentage of your account balance at the date of the fee deduction and is deducted by withdrawing units from your investment option(s) monthly (on the same day of the month as the commencement date of your plan) in proportion to the balances in your investment options. For further information on the Portfolio Management Charge please refer to page 9.
	Account Balance	Portfolio Mgmt Charge %pa*											
Less than \$20,000	1.24% (1.05%)^												
\$20,000 – \$99,999	1.00% (0.85%)^												
\$100,000 – \$249,999	0.88% (0.75%)^												
\$250,000+	0.59% (0.50%)^												
Plus Standard ongoing adviser commission	Not applicable	A standard ongoing adviser commission of 0.53% (0.45%)* per annum of your account balance (this can be negotiated with your financial adviser between 0% – 1.18%pa [1.00%^])	This fee is added to your PMC and is deducted in the same way. It is negotiable between you and your financial adviser (see Adviser Remuneration on page 7). If you do not have an adviser, the standard ongoing adviser remuneration is added to your PMC (refer to “What fees are charged if you don’t have an adviser” on page 9).										
Plus Investment Management cost²	Between 0.01% to 1.87% (estimated) per annum of your account balance depending on the investment option.		These amounts are deducted from the investment returns of the underlying assets by the investment manager(s) before the unit price is struck. They are reflected in the daily unit price for each investment option.										
Service Fees³													
Investment Switching Fee The fee for changing your investment options	Nil		Not applicable										

1 Where you select the commission-based remuneration structure, the Contribution Fee is negotiable between you and your financial adviser (refer to Adviser Remuneration on page 7 for further information).

2 For further information on the investment option specific fees, and buy/sell spreads (as relevant), please see the investment option tables in the “Zurich Superannuation Plan / Zurich Account-Based Pension – Information Booklet on investment options”, located at www.zurich.com.au/ZSPandZABP.

3 You may also incur other service fees such as a Member Advice Fee, or special request fees for services required in dealing with superannuation benefits under Family Law or requests for the provision of information. See ‘Additional Explanation of Fees and Costs’ on page 7.

^ This is the actual fee payable after the taxation deduction benefit has been applied that Zurich passes on to you in the form of a reduced fee. Please refer to the section “The extent to which tax deductions are passed on to you in the form of reduced fees or costs (ZSP only)” on page 12 for further information.

Zurich Account-Based Pension – Fees and Costs											
	Member Advice Fee remuneration	Commission based remuneration	How and when paid								
Fees when you money moves in or out of the Fund											
Establishment Fee The fee to open your account	Not applicable	Not applicable	Not applicable								
Contribution Fee⁴ The fee on the contribution to your investment option	Not applicable	0% to 4.00%	This fee is deducted from your account balance after the investment is made but before units in investment options are purchased.								
Withdrawal Fee The fee on each amount you take out of your investment	Not applicable	Nil	Not applicable								
Termination Fee The fee to close your investment	Not applicable	Not applicable	Not applicable								
Management costs – The fees and costs for managing your investment											
Portfolio Management Charge	<table border="1"> <thead> <tr> <th>Adjusted Investment Amount[#]</th> <th>Portfolio Mgmt Charge %pa</th> </tr> </thead> <tbody> <tr> <td>\$20,000 – \$99,999</td> <td>0.95%</td> </tr> <tr> <td>\$100,000 – \$249,999</td> <td>0.85%</td> </tr> <tr> <td>\$250,000+</td> <td>0.60%</td> </tr> </tbody> </table> <p>[#] The adjusted investment amount is your initial investment less any amount withdrawn inclusive of withdrawal fees. Note that regular income payments are not considered as withdrawals. Subject to a minimum charge of \$19.86 per month (effective 1 April 2012).</p>	Adjusted Investment Amount [#]	Portfolio Mgmt Charge %pa	\$20,000 – \$99,999	0.95%	\$100,000 – \$249,999	0.85%	\$250,000+	0.60%		This fee is charged as a percentage of your adjusted investment amount at the date of the fee deduction and is deducted by withdrawing units from your investment option(s) monthly (on the same day of the month as the commencement date of your plan) in proportion to the balances in your investment options. For further information on the Portfolio Management Charge please refer to page 9.
Adjusted Investment Amount [#]	Portfolio Mgmt Charge %pa										
\$20,000 – \$99,999	0.95%										
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Plus Standard ongoing adviser commission	Not applicable	A standard ongoing adviser commission of 0.45% per annum of your account balance (this can be negotiated with your financial adviser between 0% - 1.00%	This fee is added to your PMC and is deducted in the same way. It is negotiable between you and your financial adviser (see Adviser Remuneration on page 7). If you do not have an adviser, the standard ongoing adviser remuneration is added to your PMC (refer to “What fees are charged if you don’t have an adviser” on page 9).								
Plus Investment Management cost⁵	Between 0.01% to 1.87% (estimated) per annum of your account balance depending on the investment option.		These amounts are deducted from the investment returns of the underlying assets by the investment manager(s) before the unit price is struck. They are reflected in the daily unit price for each investment option.								
Service Fees⁶											
Investment Switching Fee The fee for changing your investment options	Nil		Not applicable								

4 Where you select the commission-based remuneration structure, the Contribution Fee is negotiable between you and your financial adviser (refer to Adviser Remuneration on page 7 for further information).

5 For further information on the investment option specific fees and buy/sell fees (as relevant), please see the investment option tables in the “Zurich Superannuation Plan / Zurich Account-Based Pension – Information Booklet on investment options”, located at www.zurich.com.au/ZSPandZABP.

6 You may also incur other service fees such as a Member Advice Fee or special request fees for services required in dealing with superannuation benefits under Family Law or requests for the provision of information. See ‘Additional Explanation of Fees and Costs’ on page 7.

Examples of Total Management Costs – ZSP and ZABP

The following table illustrates the total net* ongoing management cost for ZSP and the total ongoing management cost for ZABP, for the different investment options, excluding the adviser ongoing remuneration (where applicable), that is payable based on the various account balance thresholds.

These fees are made up by:

Portfolio management charge + investment management cost + other management costs

If your financial adviser is receiving commission based remuneration you will need to add the amount of ongoing adviser remuneration that has been agreed to (e.g. standard ongoing adviser remuneration is 0.45% pa).

The investment options mentioned in the table below may change. Details of the current investment options and their fees are located in **“Zurich Superannuation Plan/Zurich Account-Based Pension – Information Booklet on investment options”**.

Investment Option	Account Balance (ZSP)^ / Adjusted investment amount (ZABP) #							
	Less than \$20,000		\$20,000 – \$99,999		\$100,000 – \$249,999		\$250,000+	
	ZSP	ZABP	ZSP	ZABP	ZSP	ZABP	ZSP	ZABP
Diversified options								
Capital Stable	1.41%	n/a	1.21%	1.31%	1.11%	1.21%	0.86%	0.96%
Balanced	1.41%	n/a	1.21%	1.31%	1.11%	1.21%	0.86%	0.96%
Managed Growth	1.41%	n/a	1.21%	1.31%	1.11%	1.21%	0.86%	0.96%
Priority Growth	1.41%	n/a	1.21%	1.31%	1.11%	1.21%	0.86%	0.96%
Managed Share	1.47%	n/a	1.27%	1.37%	1.17%	1.27%	0.92%	1.02%
Sector specific options								
Cash	1.06%	n/a	0.86%	0.96%	0.76%	0.86%	0.51%	0.61%
Australian Fixed Interest	1.36%	n/a	1.16%	1.26%	1.06%	1.16%	0.81%	0.91%
Australian Property Securities	1.41%	n/a	1.21%	1.31%	1.11%	1.21%	0.86%	0.96%
Global Property Securities	1.52%	n/a	1.32%	1.42%	1.22%	1.32%	0.97%	1.07%
Australian Value Shares	1.41%	n/a	1.21%	1.31%	1.11%	1.21%	0.86%	0.96%
Global Thematic Shares	1.52%	n/a	1.32%	1.42%	1.22%	1.32%	0.97%	1.07%
Equity Income	2.92%	n/a	2.72%	2.82%	2.62%	2.72%	2.37%	2.47%
Externally managed options								
BlackRock Balanced	2.00%	n/a	1.80%	1.90%	1.70%	1.80%	1.45%	1.55%
Colonial First State PST – Australian Share	2.01%	n/a	1.81%	1.92%	1.71%	1.82%	1.46%	1.57%

*For ZSP only, the net fee is the actual fee payable after the taxation deduction benefit has been applied that Zurich passes on to you in the form of the reduced fee. Please refer to the section ‘The extent to which tax deductions are passed on to you in the form of reduced fees or costs’ on page 12 for further information about how the net (actual) fee is calculated.

^Based on total account balance. Subject to a minimum charge of \$19.86* per month (applicable from 1 April 2012)

#The adjusted investment amount is your initial investment less any amount withdrawn inclusive of withdrawal fee. Note that regular income payments are not considered as withdrawals. Subject to a minimum charge of \$19.86 per month (applicable from 1 April 2012).

Additional explanation of fees and costs

A. Adviser remuneration

The financial adviser recommending this product to you may receive payment ('remuneration') for advice and services to you in relation to the ZSP and ZABP.

Your financial adviser has two options available in respect of how they can receive their remuneration and will discuss with you the best option to suit your needs. The options available include:

- (1) Commission based
- (2) Member advice fee

Please note that your financial adviser can receive remuneration through only one of the above methods, i.e. they are not able to have a combination of both.

Adviser remuneration is negotiable between you and your adviser.

(1) Commission based remuneration:

Zurich uses money deducted from your account in respect of the contribution, withdrawal, adviser service and administration (PMC) fees to pay for the adviser's remuneration.

The adviser's remuneration (except for the GST component paid by Zurich), outlined in the fees and charges tables and described in detail in the pages following, is included in the fees and charges shown earlier (except any remuneration that the adviser charges directly to you as a fee for service – for ZSP please refer to "Adviser Service Fees" on this page).

The commission based remuneration that can be received include:

- **Initial commission:** Each time you invest your financial adviser will be paid the net contribution fee of between 0 and 5% of each contribution or rollover (as negotiated with your financial adviser) for the ZSP, and between 0 and 4% for the ZABP as commission.
- **Ongoing adviser remuneration:** Your financial adviser may also be paid an annual ongoing remuneration of an amount of between 0 and 1% pa of the value of your individual account paid out of the fees we deduct from your account (please note that any amount above the standard net ongoing adviser remuneration of 0.45% pa must be agreed between yourself and your financial adviser).

Some advisers may be entitled to additional ongoing remuneration between 0 and 0.10% pa. Where this applies the payment is made by Zurich or another entity related to Zurich and would be met from that company's own resources.

- **Adviser Service Fees (ZSP only):** Under the commission based remuneration option, you may also agree that a fee will be paid to your financial adviser for superannuation services provided to you, related to your investment in the ZSP, when you make your initial contribution, additional lump sums or an increase to the original regular contribution.

The maximum adviser service fee you can agree to pay is equal to 25% of your annualised regular contribution, extra contributions or increases. For all other contributions, including lump sums, the maximum that can be agreed to is 5%.

Zurich will pay a GST component of 10% of the commission paid to certain advisers. The GST component is a payment made by Zurich and is met from Zurich's own resources.

(2) Member advice fee remuneration:

You can agree with your financial adviser to have a member advice fee paid directly from your account instead of being included in your other fees. The member advice fee can be collected as either, or a combination of:

- **Initial member advice fee:** A set dollar amount, or percentage of your account, deducted as a one-off as agreed between you and your financial adviser.
- **Ongoing member advice fee:** A set dollar amount, or percentage of your account, deducted from your account on a monthly basis.

Remuneration on Optional Protection Benefits

Regardless of whether your financial adviser receives commission based, or member advice fee remuneration for the advice given on your ZSP plan, if you have added ZSP Optional Protection Benefits to your plan your financial adviser may also receive commission on the Optional Protection Benefits. Your financial adviser will have a choice of an initial commission (as a percentage of the first year's annual premium) of between 75% and 110% for the upfront commission option, or between 0% and 30% for the level commission option or between 30% and 80% for the hybrid commission option.

In addition, as a percentage of each subsequent year's annual premium, your financial adviser may receive between 5.5% and 10.5% pa for the upfront commission option, between 0% and 30% pa for the level commission option or between 0% and 25% pa for the hybrid commission option.

Please note the premium debited from your ZSP account already allows for the commission on Optional Protection Benefits. This is not a separate charge to you.

Adviser remuneration examples:

The following examples illustrate the amount of initial and ongoing remuneration paid to your financial adviser based on the different remuneration structures. **These examples do not take into account your personal circumstances and are intended as an illustration only.** These examples need to be read in conjunction with the information on fees and adviser remuneration.

Commission-based structure	
Initial remuneration – ZSP	
Assuming you make a regular contribution of \$5,000 pa and the maximum initial adviser remuneration of 5% applies.	$\$5,000 \times 5\% = \250 pa
Assuming you make a lump sum investment of \$50,000 and the maximum initial adviser remuneration applies.	$\$50,000 \times 5\% = \$2,500$
Initial remuneration – ZABP	
Assuming you make a lump sum investment of \$50,000 and the maximum initial adviser remuneration applies.	$\$50,000 \times 4\% = \$2,000$
Ongoing remuneration (paid to the adviser monthly):	
Assuming you have an account balance of \$50,000 and the standard ongoing adviser remuneration of 0.45% pa applies.	Account Balance x 0.45% / 365 x no. of days in the month (30 days for this example) $\$50,000 \times 0.45\% / 365 \times 30 = \18.49 per month.
Assuming you have an account balance of \$50,000 and the maximum ongoing adviser remuneration of 1% pa applies	Account Balance x 1% / 365 x no. of days in the month (30 days for this example) $\$50,000 \times 1\% / 365 \times 30 = \41.10 per month.
Member advice fee structure	
Initial member advice fee	
Assuming you have an account balance of \$50,000 and have agreed to an initial member advice fee of 5%.	$\$50,000 \times 5\% = \$2,500$
Ongoing member advice fee	
Assuming you have an account balance of \$50,000 and you have agreed to an ongoing member advice fee of 0.50%	Account balance x 0.50% / 365 x no. of days in the month (30 days for this example) $\$50,000 \times 0.50\% / 365 \times 30 = \20.55 per month
Remuneration on insurance component (ZSP only)	
Assuming that this member is male, 43 years of age and a non-smoker has \$250,000 of Death cover with an annual premium of \$256.03	Upfront commission: $110\% \times \$256.03 = \281.63 Level commission: $30\% \times \$256.03 = \76.81 Hybrid commission: $80\% \times \$256.03 = \204.82

Alternative remuneration

In addition to the amounts described above, Zurich and dealer groups may pay alternative forms of remuneration to financial advisers or their dealer licensees. It is a requirement that Financial Services Council (FSC) and Financial Planning Association (FPA) members (Zurich is a member of both) record payments of this kind in Alternative Forms of Remuneration Registers.

To obtain a copy of Zurich's Alternative Forms of Remuneration Register, please contact us on 131 551 or visit www.zurich.com.au. Check with your financial adviser or dealer group if they maintain a register.

Contact details of person or body with whom negotiable fees or costs can be negotiated

Where fees are stated to be negotiable between you and your financial adviser, you should contact your financial adviser directly. Contact details are shown on the Investment

Certificate you receive when joining the plan or are available by phoning the Zurich Client Service Centre on 131 551.

If you are not satisfied with the response you received from the adviser you should contact their Dealer Group or Australian Financial Services Licensee with which they are associated. Dealer Group details can be found on the Financial Services Guide you should have been issued with by your financial adviser.

Third party payments

A third party may receive payment from Zurich or your financial adviser on your investment in the products offered in the PDS, e.g. where a third party introduced you to the adviser who assisted you to arrange this plan. It would not be an extra charge to you.

What fees are charged if you don't have an adviser?

If you do not have an adviser the fees and charges shown in the table on pages 4 and 5 will be payable. That is the contribution fee after the tax benefit will be 5% of the initial investment for ZSP and 4% for ZABP. Further the PMC applied will be the percentage scale shown in the 'Amount' column of the table on page 4 (ZSP) and 5 (ZABP) plus the standard ongoing commission rate of 0.45% pa. In these circumstances, the fees will be wholly payable to Zurich.

B. Portfolio Management Charge (PMC)

ZSP (based on your total account balance)

The total account balance at any given time determines the percentage level of the PMC applicable. This single percentage fee rate is then applied to your entire account balance (and not just that portion of your account that exceeds the thresholds indicated in the table on page 4). For example, if your account balance was \$130,000, a net administration fee (PMC) rate of 0.88% (0.75%)* pa would be applied to your entire account balance at the time of the fee deduction. (This excludes any ongoing adviser remuneration paid.) Note the dollar amount of PMC charged each month will vary in line with variations in your account balance.

ZABP (based on your adjusted investment amount)

The adjusted investment amount determines the percentage level of the PMC applicable. This single percentage fee rate is then applied to your entire account balance (and not just that portion of your account that exceeds the thresholds indicated in the table on page 5). For example, if your adjusted investment amount was \$130,000, a net administration fee (PMC) rate of 0.85% pa would be applied to your entire account balance at the time of the fee deduction (even if your account balance was lower than \$100,000). Assuming you make no withdrawal (apart from regular income payments which are not considered to be withdrawals) this means that the percentage fee rate (e.g. 0.85%) will remain unchanged for the duration of your account-based pension. However the dollar amount of PMC charged each month will vary in line with variations in your account balance.

C. Service fees

Special request fees

We may charge a fee for the provision of fund information requested by you. We may also charge a fee to cover reasonable administrative costs associated with any request you may make for access to your personal information we hold under privacy laws.

We estimate that the maximum cost for this service will be \$110 per request. The actual fee charged will depend on the type and volume of information requested and will only cover our reasonable expenses in providing this information. Copies of the latest PDS are provided free of charge as are copies of the Trust Deed, Fund Annual Report and audited accounts unless more than one request is made in a twelve month period.

Certain information about your account is available free of charge from www.zurich.com.au. (Refer to the "**Zurich Superannuation Plan/Zurich Account-Based Pension Additional information guide**".)

Family law fees

Fees may be levied for the additional services required in dealing with superannuation benefits under legislation relating to the splitting or flagging of superannuation benefits on divorce. Depending on the transaction, fees may be payable by the member, by the non-member spouse, or split between the two.

Our current schedule of fees for family law matters is:

\$110.00	– Request for Information
\$400.00	– Percentage Split
\$600.00	– Base amount Split
\$1,000.00	– Calculation Split

We do not currently charge a fee for the establishment of a flag which indicates an account that is a family law account. These fees together with any legal costs incurred by the Trustee may be deducted from the relevant member's account and/or the benefit to be paid to the non-member spouse. (Refer to the "**Zurich Superannuation Plan/Zurich Account-Based Pension Additional information guide**".)

Cooling-off fees

We may charge a fee covering our reasonable administration and transaction costs where the cooling-off right is exercised by you. (Refer to the "**Zurich Superannuation Plan/Zurich Account-Based Pension Additional information guide**".)

Adviser Service Fees (ZSP only)

Under the commission-based remuneration option, you may agree that a fee will be paid to your financial adviser for superannuation services provided to you, related to your investment in the ZSP, when you make your initial contribution, extra contributions or increases. If you have agreed to this Adviser Service Fee, we will redeem units from your plan account and pay the amount to your financial adviser. For the initial fee we will do this either at the first Anniversary Date or when your membership ends (if earlier). Subsequent Adviser Service fees will be deducted immediately.

The maximum Adviser Service Fee you can agree to pay is equal to 25% of your annualised initial contribution, extra contributions or increases. For all other contributions, the maximum that can be agreed to is 5%.

The Adviser Service Fee (and the associated commission) will only be paid if the unit redemption would not reduce your plan account balance to less than:

- \$1,000 for an adviser service fee agreed for initial contributions,
- \$1,500 for adviser service fees agreed for additional or increased contributions.

Adviser Service Fee (ZSP only) and Member Advice Fee

In agreeing that an adviser service fee or member advice fee will be paid from your fund account, you are accepting and agreeing to the following:

- the fee is a fee agreed between yourself and your financial adviser and is deducted under the terms of your membership of the Zurich Master Superannuation Fund and paid to your financial adviser by Zurich Australia Limited
- we do not have any discretion whether to pay either the adviser service fee or member advice fee that you have authorised to be paid to your financial adviser
- the Trustee does not have any duty to assess the reasonableness of the relevant fee or the quality of the advice
- it is your responsibility to be satisfied of the reasonableness of the relevant fee and the quality of the advice
- the Trustee is under no duty to review (either initially or at some later time) the advice given
- the Zurich Master Superannuation Fund Trust Deed specifically excludes the Trustee from any liability for advice given by an adviser
- the adviser is not an agent of the Trustee and
- the fee agreed to represents payment for the provision of superannuation advice and does not relate to your investments generally.

Any member advice fee agreed to between you and your financial adviser may be altered or cancelled by you and your financial adviser at any time by written notification to us.

D. Transactional and operational costs

The following transactional and operational costs are additional costs to you (to the extent they are applicable), and are reflected in the buy/sell spread for each investment option. A buy/sell spread is the difference between the entry (unit) price and the exit (unit) price of an investment option. It is payable to meet transaction costs (e.g. brokerage, clearing costs and stamp duty on investment transactions) and is allowed for in the unit price. A buy/sell spread of up to 1.00% (depending on the investment option) is generally payable when money is:

- contributed to your investment
- taken out of your investment, including to pay fees and other costs
- switched between investment options.

Buy/sell spreads for each investment option are shown in the **“Zurich Superannuation Plan/Zurich Account-Based Pension – Information Booklet on investment options”**, located at www.zurich.com.au/ZSPandZABP. These are estimates only and may change in the future.

For example if the entry price for an option is \$1.00 and the exit price is \$0.996, the buy/sell spread you would incur if you invested \$50,000 in units in that option and immediately redeemed those units would be \$200, or 0.40% of the total of your investment. Generally the buy/ sell spread is retained by the relevant managed fund and applied to defray transaction costs; it is not a fee paid to the fund manager, or Zurich.

Some of the investment options do not currently have a buy/sell spread. For these investment options, transaction costs (to the extent there are any) are borne by all investors in the option. Estimates of the amounts for these options (as a percentage of the transaction) are as shown in the **“Zurich Superannuation Plan/Zurich Account-Based Pension – Information Booklet on investment options”**.

E. Expense recoveries by Zurich or the Trustee

The trust deed for the Zurich Master Superannuation Fund, of which the ZSP and ZABP forms a part, allows the Trustee to be reimbursed for expenses it reasonably incurs in administering the ZSP and ZABP. In addition, the investment life insurance policy invested in by the Trustee allows Zurich to recover expenses it incurs in administering the ZSP and ZABP’s assets. See page 11 for details on maximum limits to these expense recoveries by Zurich. There is no limit on expense recoveries by the Trustee. These expenses are incurred through activities such as audit, custody, reporting and systems and other changes needed to comply with laws and regulations. Currently Zurich and the Trustee do not make any additional expense recoveries other than those reflected in the management costs, and therefore they are not an additional cost to you.

This arrangement is in place until 30 June 2014, and its continuance will be reviewed in the lead up to that date. Until then, such expenses are borne by Zurich in consideration for a portion of a tax benefit arising from the amount by which the Fund’s death and disablement insurance costs exceed assessable contributions received for members to whom those contributions relate. The Fund receives 10% of that tax benefit, plus any additional amounts needed to meet operational risk reserve requirements imposed by the regulator that are not provided by the Zurich Group. Zurich receives the remainder of the tax benefit which it uses to meet the expenses of the Fund and expenses it incurs in administering the ZSP and ZABP’s assets under the Fund’s investment life insurance policies, and retains the residue (if any) for its own purposes.

F. Incidental fees

Direct Debit Charge (ZSP only)

If contributions are paid by direct debit a fee of around 20 cents per transaction based on the standard transaction fee may be charged by your financial institution for each transaction through the direct debit system.

G. Information about the management costs not deducted directly from your account

The management costs not deducted directly from your account (which are a component of your management costs) are shown in **“Zurich Superannuation Plan/Zurich Account-Based Pension – Information Booklet on investment options”**, located at www.zurich.com.au/ZSPandZABP.

These costs are reflected in the unit price for the relevant option. They include amounts deducted by the investment managers, including ZIM for fees and expenses of running the underlying trusts. Except for the investment options managed by ZIM the amounts are shown gross of tax. For the Zurich options, the amounts are shown both gross of tax and net of the tax deduction that Zurich passes on to you in the form of a lower fee.

The costs shown are an estimate only and are based on the average asset values of the investment options. Various factors including the fees charged by the underlying managers, the impact of timing cash flows into the options, the allocation of assets between different investment managers and changes in the expense of administering the options can affect these costs.

Accordingly, the figures listed may not reflect the actual impact of these costs on your account. These costs do not include the expenses you would incur if you invested directly in the underlying assets yourself.

For the investment options managed by ZIM, an investment management fee is paid out of the management costs to ZIM, in its capacity as underlying Investment Manager.

For the other investment options, a fee is paid from the management costs to the underlying investment manager(s) used for the option.

The costs will change, and additional costs will apply, if the investment manager(s) of the underlying assets for these options (including ZIM) change their fees or charge additional fees. The investment options may invest in unit trusts managed by ZIM and/or other selected strategic partners or underlying investment managers who may receive part or all of the management costs.

You can obtain further information about these deductions by calling our Client Service Centre on 131 551.

Performance Fees

In addition to the investment management fee, a strategic investment partner may be entitled to a performance fee where performance of the investment option exceeds agreed benchmarks over a certain period. These fees, where incurred, are part of the management cost of the investment option. Refer to the **"ZSP/ZABP: Information on Investment Options"**, in relation to whether performance fees might apply to a particular investment option.

H. Increases or alterations in the costs and charges

We have the right to change fees and costs without your consent. Should any fees or charges be adjusted, we will generally give members at least thirty days advance notice in writing (except where charges have altered in line with movements in the Consumer Price Index, the estimated management costs not deducted directly from your account have changed or a transactional and operational cost has changed). We may waive or reduce the amount or level of fees or charges at our discretion. We reserve the right to change insurance premium rates, or apply a switching fee or an expense recovery fee in the future. If new laws or changes to existing laws result in Zurich incurring extra costs, the charges under ZSP and ZABP may be increased accordingly.

The following limitations on increases or alterations in charges apply:

- The portfolio management charge (PMC) component of management costs may be increased by no more than the amounts shown in the table following over the life of this product on at least 30 days' notice.

ZSP	
Account balance	
Less than \$20,000	2.76% pa (2.35%)*
\$20,000 to \$99,999	2.29% pa (1.95%)*
\$100,000 to \$249,999	2.18% pa (1.85%)*
\$250,000 +	2.00% pa (1.70%)*

ZABP	
Adjusted investment amount	
Less than \$100,000	1.95% pa
\$100,000 to \$249,999	1.85% pa
\$250,000 +	1.70% pa

- The threshold at which the PMC component changes (\$20,000, \$100,000 and \$250,000) as well as the minimum monthly PMC net of any ongoing adviser remuneration may increase annually. Increases may apply from 1 April each year and the maximum increase will be the percentage change in the CPI over the 12 month period to the preceding 31 December. The CPI used is the 'Weighted Average of Eight Capital Cities Index' published by the Australian Bureau of Statistics. Zurich may decide not to apply this increase in any one year or to apply an increase lower than the CPI increase.
- The investment management fee component of management costs not deducted directly from your account for the Zurich investment options (excluding the Zurich Investments Equity Income option) may be increased up to 0.82% (0.70%)* pa on 30 days' notice in writing.
- The investment management fee component of management costs not deducted directly from your account for the Zurich Investments Equity Income investment options may be increased to 5% pa on at least 30 days' notice in writing.
- The management costs not deducted directly from your account for each investment option may, except for the above limitations, be increased or decreased without notice if the fees and expenses of the underlying managers change.
- Zurich reserves the right to apply a switching fee in the future, up to a maximum of 2% of the amount switched.
- The amount of expense recoveries Zurich is entitled to recover from the ZSP and ZABP is limited to 0.59% (0.50%)* pa. As part of this allowance the expenses recovered by Zurich Investment Management Limited from the underlying unit trusts it manages will not exceed 0.47% (0.40%)* pa of each unit trust's assets.
- There is no limit on the amount of expense recoveries the Trustee is entitled to recover from the plan.

*This is the actual fee payable after the taxation deduction benefit has been applied that Zurich passes on to you in the form of a reduced fee. Please refer to the section 'The extent to which tax deductions are passed on to you in the form of reduced fees or costs (ZSP only)' on page 12 for further information about how the net (actual) fee is calculated.

I. Taxation costs

Where applicable, we may charge certain taxes to your account. Refer to www.ato.gov.au for more details on taxation.

All of the fees and costs (excluding adviser remuneration¹) shown in this document are inclusive of Goods and Services Tax (GST), stamp duty and reduced input tax credits (RITCs) to the extent they are applicable.

Certain fees do not currently give rise to a GST liability. Should this change, the fee debited to the member's account may be increased for the GST liability, after making allowance for any entitlement to an input tax credit or reduced input tax credit in relation to the relevant fee.

¹ Adviser remuneration is subject to GST, Zurich pays the GST on adviser remuneration to the adviser, who pays it to the Australian Tax Office (ATO).

J. The extent to which tax deductions are passed on to you in the form of reduced fees or costs (ZSP only)

Tax is payable by Zurich on investment earnings in the Fund at a maximum rate of 15%. This tax affects the fees we charge you as Zurich is allowed a tax deduction on fees relating to investments.

The costs shown in this document are gross of the tax deduction (unless otherwise stated). (There is no fee reduction in respect of the 'Management Costs not deducted directly from your account' for the Zurich externally managed investment options because Zurich does not receive a tax deduction for these investment options). In order to work out the after tax impact of the fee on your account, you should multiply the fee by 0.85 as per the fees shown in brackets immediately after the gross fees. For instance, the portfolio management charge shown in the table on page 4 is 1.24% pa for an account balance up to \$100,000, but the after-tax impact of the fee on your account is 1.05% pa (i.e. 1.24 x 0.85). The ZABP does not receive a 15% tax deduction. Therefore the fees quoted for the ZABP are the amount that members are charged.

Further, an amount of 15% is deducted from assessable contributions to pay contributions tax. However, the Fund is allowed a tax deduction for its insurance costs. That deduction enables it to benefit your account with the tax referable to assessable contributions received for you that are used to pay your insurance costs. Accordingly, no contributions tax is payable to the extent assessable contributions received for you are used to pay your insurance costs. Use of the benefit arising from the tax deduction enjoyed by the Fund for insurance costs referable to non-assessable contributions is explained in Section E on page 10, "Expense Recoveries by Zurich or the Trustee".

For more information about taxation, please refer to www.ato.gov.au.

The issuer of the Zurich Superannuation Plan (SPIN ZUR0473AU) and the Zurich Account-Based Pension (SPIN ZUR0469AU) is Zurich Australian Superannuation Pty Limited ABN 78 000 880 553, AFSL 232500 who is the Trustee of the Zurich Master Superannuation Fund ABN 33 632 838 393, SFN 2540 /969/42.

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K. Insurance costs (ZSP only)

If you add any Optional Protection Benefits to your ZSP, insurance premiums will be deducted from your account. Premiums are deducted when cover commences and each month thereafter by withdrawing units from your investment option(s).

Transactional and operational costs, such as a sell spread, may also apply when units are sold from your investment option(s) to pay insurance premiums. Insurance premiums are in addition to the fees and charges described in the tables earlier in this section. They are generally dependent on a number of factors including age, health, occupation and pastimes.

Following are examples on how the monthly premiums (based on premiums current on the date of issue of this document) may vary:

Zurich Superannuation Term Life Plus

1. Consider someone turning age 43 next birthday, who has applied for \$250,000 Death cover. The monthly premium is as follows:

Non Smoker		Smoker	
Male	Female	Male	Female
19.79	14.65	47.60	31.98

Zurich Income Replacement – comprehensive (superannuation version)*

2. Consider someone turning 43 next birthday who has applied for an insured monthly benefit of \$3,000 per month with a 60 day waiting period and benefits to age 65.

Non Smoker		Smoker	
Male	Female	Male	Female
54.41	90.10	70.74	117.14

Your financial adviser will provide you with a tailored premium illustration for the particular cover you are applying for. Please also refer to the "**Zurich Superannuation Plan Optional Protection Benefits Information Booklet**" located at www.zurich.com.au/ZSPandZABP, for further information about insurance premiums.

* Based on someone working in a professional occupation, and including increasing claims option. Excludes stamp duty.