

Significant event notice



17 April 2023

This significant event notice contains important information about the reporting of Spirit Super's fees and costs.

spiritsuper.com.au
1800 005 166

Why are we writing to you?

We've become aware that some fees and costs weren't included in some of our disclosure documents. This disclosure error is a technical breach of regulatory standards. This error affects:

- the amount deducted from reserves that are part of the administration fees and costs shown in the *Fees and costs* section of our *Member guide (Product disclosure statement)* and in the *Fees and costs* fact sheet dated 30 September 2022.
- the total amount deducted from reserves that are part of fees and costs shown in the *Fees and costs* section in 2022 *Member statements*.

It's important to note that there's no change to the administration fees and costs that we've deducted directly from your account.

What was the error?

Administration fees and costs are expenses related to the administration and operation of Spirit Super. Where fees and costs collected from members in a financial year aren't enough to meet all our expenses for that year, the shortfall is paid from our reserves.

The amount of administration fees and costs shown in certain product disclosures and member statements must include any excess administration costs paid out of our reserves (excess costs). This is in addition to amounts deducted directly from member accounts, our investments or investment returns. The size of the excess costs isn't material.

A proportion of expenses for 2021-22 financial year were paid out of our reserves and should've been disclosed in the *Member guide*, *Fees and costs* fact sheet and *Member statements* for 2021-22.

How we disclosed administration fees and costs in our *Member guide*?

In the *Member guide* dated 30 September 2022, we showed the administration fees and costs as follows:

Administration fees and costs	\$67.60 plus 0.15% of your account balance each year (the percentage fee is capped at \$450 each year).	Calculated daily and deducted at the end of each month from your account, or when your account is closed.
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What information should have been disclosed?

The administration fees and costs disclosed in the *Member guide* and *Fees and costs* fact sheet dated 30 September 2022 should have included details about an additional percentage-based amount representing the estimated costs paid out of our reserves. This is shown in **bold and green** below and on the following page:

Administration fees and costs	\$67.60 plus 0.15% of your account balance (the percentage fee is capped at \$450 each year). Estimated¹ 0.014% of net assets each year.	Calculated daily and deducted at the end of each month from your account, or when your account is closed except for the estimated 0.014% . If required, the estimated¹ 0.014% is deducted from reserves to meet administration expenses that exceed the administration fees and costs deducted from member accounts in a year.
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¹Based on Spirit Super's experience for the financial year ending 30 June 2022. The percentage will vary from year to year.

Motor Trades Association of Australia Superannuation Fund Pty Ltd (ABN 14 008 650 628, AFSL 238718) is the trustee of Spirit Super (ABN 74 559 365 913) and issues interests in Spirit Super.

If you're considering acquiring or continuing to hold a particular financial product, you should obtain the *Product disclosure statement* relating to the product and consider it before making any decision. Spirit Super's *Product disclosure statements* and *Target market determinations* are available at spiritsuper.com.au/pds or by contacting us on 1800 005 166.

Example of annual fees and costs

This table gives an example of how the ongoing fees and costs for the Balanced (MySuper) option in Spirit Super can affect your super investment over a one-year period. You should use this table to compare this super product with other super products.

Example – Balanced (MySuper) option		Balance of \$50,000
Administration fees and costs	\$67.60 plus 0.15% of your account balance plus 0.014% deducted from reserves.	For every \$50,000 you have in the super product you'll be charged or have deducted from your investment \$82.00² in administration fees and costs, plus \$67.60 regardless of your balance.
PLUS investment fees and costs	0.49%	And, you'll be charged or have deducted from your investment \$245.00 in investment fees and costs.
PLUS transaction costs	0.10%	And, you'll be charged or have deducted from your investment \$50.00 in transaction costs.
EQUALS cost of product	\$444.60	If your balance was \$50,000 at the beginning of the year, then for that year you'll be charged fees and costs of \$444.60³ , for the super product.

²This amount includes \$7.00 deducted from reserves and not from your account based on Spirit Super's experience for the year ending 30 June 2022.

³Additional fees may apply.

Cost of product for one year

The cost of product information assumes a balance of \$50,000 at the beginning of the year.

Investment option	Cost of product ⁴
Growth	\$469.60
Sustainable	\$464.60
Balanced (MySuper)	\$444.60
Moderate	\$394.60
Conservative	\$354.60
Australian Shares	\$434.60
International Shares	\$399.60
Diversified fixed interest	\$304.60
Cash	\$179.60

⁴Additional fees and costs such as insurance fees may apply. The cost of product shown above includes an estimated \$7.00 deducted from reserves (not from your account) based on Spirit Super's experience for the year ending 30 June 2022.

What are we doing?

We've reviewed and updated our processes for monitoring the use of reserves to meet expenses that exceed the fees and costs charged to members, and how we reflect this in our disclosure documents.

We issued a *Member guide* and *Fees and costs* fact sheet on 5 March 2023 which includes information about the additional percentage cost that may be deducted from reserves based on our experience for the 2021-22 financial year.

Member statements will also include details of any excess costs deducted from our reserves in the *Fees and costs* section.

It's also important to note that the additional percentage cost deducted from reserves (if charged) varies from year to year. Past deductions from reserves for administration expenses aren't a reliable indicator of future deductions from reserves for administration expenses.

Ongoing disclosure is communicated online

We have a responsibility to keep you informed of material changes and significant events that may affect your account.

We make your statements and disclosures available in your **Member Online** inbox. We'll send you an email to the most recent email address according to our records to let you know when they're available to download.

You can opt out of receiving your statements and disclosures online in **Member Online** or by calling us on **1800 005 166**.

If you're currently receiving paper copies of your statements and disclosures, you can change your communication to online at any time.

Feedback and complaints

We hope that you'll never have a reason to complain. If you do, refer to our *Complaints handling policy* at spiritsuper.com.au/complaints-policy for more information.

