



Commonwealth Superannuation Scheme

Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement ('SPDS') dated 4 November 2009 supplements the Commonwealth Superannuation Scheme Product Disclosure Statement, second edition, dated 26 September 2008 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 42 to 44 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 superannuation 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 CSS. No fees and expenses are deducted directly or indirectly from a CSS contributing member's account, nor do the Fund's fees, expenses and costs affect a CSS contributing member's benefit during the period of contributory membership.*

CSS fees and costs

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from the returns on your investment or from the fund assets as a whole. Taxes are set out in the **Product Disclosure Statement** on *pages 45 to 47*.

You should read all the information about fees and costs because it is important to understand their impact on your investment in the CSS. As a member of the CSS you don't pay any administration fees or member transaction costs - these costs are covered by your employer (or your former employer if you are a preserved benefit member). We deduct investment management costs from investment earnings before determining the Fund earning rate. *Table 9* below outlines all significant costs you are expected to pay.

The CSS pays no commissions to financial planners. We do have an investment in State Super Financial Services Australia Limited (SSFS) which provides financial planning services.

Neither ARIA nor the Australian Government takes any responsibility for the services, or guarantee the performance of any product provided by third parties, such as SSFS.

Table 9: Fees and other costs

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from the returns on your investment or from the fund assets as a whole. Taxes are set out on *pages 45 to 47*. You should read all the information about fees and costs because it is important to understand their impact on your investment.

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 account in the CSS.	Nil	
Contribution fee: This is the fee for the initial and every subsequent contribution you make to the CSS (or that may be made on your behalf, e.g. by an employer).	Nil	
Withdrawal fee: This is the fee charged for each withdrawal you make from the CSS (including any instalment payments and your final payment).	Nil	
Termination fee: The fee to close your account with the CSS.	Nil	

Management costs		
Administration costs: These are the fees and costs for operating the CSS. They include administration and other fees charged by ARIA, distribution costs and other expenses incurred in operating the Fund.	Nil	
Investment costs: These are the fees and costs for investing the assets. They include fees charged by ARIA, fees paid to external investment managers and other expenses incurred in investing the assets (excluding transaction costs).	Default Fund 0.91%* p.a of the average net assets of the Default Fund.	These are the amounts we deducted from the investment earnings of the CSS Fund before determining the Default Fund or Cash Investment Option earnings rates.
	Cash Investment Option 0.13% p.a of the average net assets of the Cash Investment option.	
Additional service fees**		
Switching fee: This is the fee charged when you switch between investment options offered by the CSS.	Nil	

* This amount includes performance based fees (PBFs) of 0.02%. These fee rates are based on actual costs incurred and future costs may differ from these shown. See **Performance based fees** in the **Additional explanation of fees and costs** below for more information.

** Please see 'Additional explanation of fees and costs' below for additional service fees such as reconsideration fees.

Additional explanation of fees and costs

We may need to change these fees from time to time. We will advise you of any fee change that we believe will materially affect you.

Reconsideration of a decision

We charge a fee of \$150 (including GST) when you request ARIA to reconsider a decision that it has made (there is no fee payable when you request reconsideration of a decision made by a Delegate). This amount must be paid when you lodge your application for reconsideration. The fee will be refunded if your request is not accepted for reconsideration and also in the event you are successful in your reconsideration.

Performance based fees

We pay performance based fees (PBFs) to some of the Fund's 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. No PBFs are paid in relation to the Cash Investment Option.

The extent of any PBF cannot be determined in advance. Actual PBFs will depend upon the level of performance achieved by investment managers that charge PBFs and the weighting of those managers in the Default Fund.

PBFs impact the Fund, and the value of your benefit, in the same way as the Fund's other investment management costs. As a result, PBFs affect the components of your benefit that are affected by investment performance.

Table 10: Example of annual fees and costs for a balanced investment option

This table gives an example of how the fees and costs in the Default Fund 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 – Default Fund (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.

* Please note that this is a notional amount only. This amount is not deducted from, nor does it have any effect on the value of, your account or benefit while you are a contributing member. As your benefit is a defined benefit, and is not impacted by Fund earnings, the Fund's management costs do not affect the amount of your benefit while you are a contributing member.

Additional fees may apply, including fees for additional death and invalidity cover or reconsideration of a decision.

Note that we are required by law to include the above information.