

Methodology for calculating total fees disclosed in the Westpac KiwiSaver Scheme Annual Member Statements



Total fees calculation methodology.

The approximate total fees paid by you in the Westpac KiwiSaver Scheme for the financial year ending 31 March, is calculated using the following formula:

$$a = b + c + d - e$$

where:

- a** is the approximate total sum of the fees charged to you for the year ending 31 March
- b** is the cents per unit amount as defined by the Financial Markets Conduct (KiwiSaver Confirmation Information) Methodology Notice 2017 (see below for further information on cents per unit)
- c** is your individual action fees*, if any
- d** is your other charges, such as administration fees**; and
- e** is any credits or discounts provided to you in respect of the fees for the period.

*This means fees charged to an investor on an individual basis for investor-specific decisions or actions, and can include the following:

- Contribution fees
- Financial adviser fees
- Establishment fees
- Termination fees
- Withdrawal fees
- Transfer fees
- Switching fees

Currently there are no individual action fees charged to members in the Westpac KiwiSaver Scheme.

**Administration fees are charged and deducted from your Westpac KiwiSaver Scheme account on a monthly basis. Currently, administration fees will not be charged to Westpac KiwiSaver Scheme accounts that have a total balance less than the amount of the administration fee.

Cents per unit amount.

The **cents per unit** amount is the total of the amounts calculated using the formula below for each valuation period in the financial year (generally daily) and each fund in the Westpac KiwiSaver Scheme for which you are a scheme participant.

$$f \times (g \div h)$$

where:

- f** is the number of units attributable to you in respect of the fund;
- g** is fund charges; and
- h** is the total number of units in that fund.

Estimates of certain underlying fund charges.

The annual fund charges include the actual management fee, supervisor fee and expenses for each fund, as well as actual expenses and estimates (weighted according to each fund's benchmark allocations) of the other fees (including any performance fees) and expenses expected to be charged by underlying funds.

Estimates are based on:

- historic fees and expenses data for the underlying funds, or
- where no historic data is available, the expected fees and expenses levels for similar underlying funds, and in the case of performance fees, the performance fee that would apply if the performance threshold of the relevant underlying fund was met.

When we make estimates using historic data, we assume that ongoing charges will be at levels equivalent to the charges contained in the historic data.

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