



Fees and other costs

Additional explanation of fees and costs

Performance fees

The Trustee has entered into performance fee agreements with certain investment managers. As at the date of this fact sheet, those managers are Marvin & Palmer Associates, Queensland Investment Corporation, Macquarie Clean Tech and Quentin Ayers. The performance fees form part of the management costs.

Marvin & Palmer Associates

Marvin & Palmer Associates are entitled to a performance fee when the return the portfolio they manage is in excess of 2.5% of the MSCI World Index (excl. Australia). The performance fee is calculated from the difference between Marvin & Palmer's performance (before the deduction of the normal management fee) and that of the MSCI World Index Australia. The performance fee, which is 12% of calculated excess performance, is determined and paid annually (subject to a maximum performance fee of 0.45%).

Queensland Investment Corporation

Queensland Investment Corporation is entitled to a performance fee when the return of the portfolio they manage outperforms the UBSA 90 day bank bill rate. The performance fee is 20% of the calculated excess performance (after the deduction of the normal management fee). The performance is calculated and accrued daily and paid annually as at 30 June (when excess performance is achieved).

Macquarie Clean Tech

Once an investor has received 100% of their paid up capital and a return of 8% p.a on their paid up commitment is achieved, a performance fee is due to Macquarie. The performance fee will be no more than 5% (10% for Co-investments) of the total distributions after 100% of paid up capital has been paid by Macquarie to the investor.

Quentin Ayers

A performance fee will be payable once the net return exceeds the agreed hurdle rate of return (based on margin over the cash rate). The net return must exceed previous returns before any incremental performance fee is paid. The amount payable will not exceed 5% of the net return of the fund payable annually in arrears. Calculation of the performance fee is based on net return being fully hedged in Australian currency.

For all investment managers, underperformance will be carried forward and taken into account in the calculation of the performance fee in future periods.

The impact on any particular strategy will depend on the proportion of funds managed by the relevant investment manager. For example, if a particular investment manager manages 10% of a strategies portfolio, then the impact on the strategy will be one tenth of the percentage listed above.

Payments to Authorised Representatives

Authorised Representatives of FuturePlus receive remuneration by means of salary only. In providing their services they do not receive any additional commission or bonus. However, Authorised Representatives may receive from FuturePlus a non-monetary incentive up to the value of approximately \$1,000 per annum for attaining client service targets (i.e. this is not an additional charge on Local Government Super).

Request for Family Law information fee

The fee is for the provision of information about a member's account relevant to a Family Law split. The fee for a member is \$110 and is payable by the person requesting the information. The payment should be in the form of a cheque or money order payable to Local Government Super.



Benefit split fee

This is a fee associated with a Family Law court split. The fee is \$88 and is generally payable by the member and non-member spouse in equal parts (\$44 each). The member's share of the fee is deducted from their account and the non-member spouse's share is deducted from the non-member spouse's splittable payment prior to transfer of the payment out of Local Government Super.

Buy/sell spread

A buy/sell spread is the costs associated with investing in, switching between or withdrawing from the investment strategies. Currently the Trustee does not apply a buy/sell spread for any of these transactions however may choose to do so in the future.

All costs associated with any of these transactions (including brokerage and commission) are taken into account at the time of valuation for the investment strategy.

Information on abnormal expenses

The management costs do not incorporate an allowance for abnormal expenses (if any) to which the Trustee is entitled to be reimbursed from Local Government Super. As at the date of this fact sheet, we do not anticipate any abnormal expenses to become payable.

Management costs

Management costs are made up of two components, an Investment and expense recovery fee and an Administration cost.

Investment and expense recovery fees

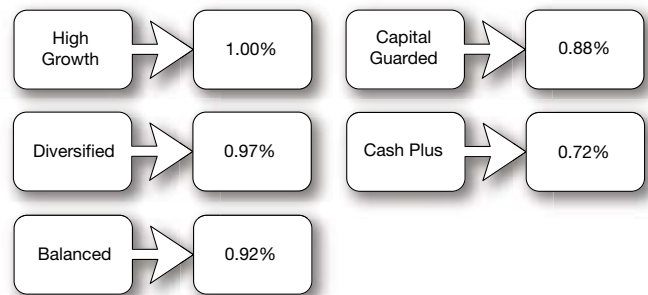
For both the Accumulation and the Executive Schemes, Investment and expense recovery fees are not deducted from a member's account but are deducted from gross investment returns before investment returns are determined and allocated to the members via applicable unit prices.

Investment and expense recovery costs are incorporated by way of a ratio (1.0%) that adds both percentages together and multiplies it with the account balance to derive the estimated dollar impact of those fees and costs.

The Trustee has decided to establish a maximum fee limit that the Scheme's may charge. Please note that this is a maximum

and the actual fees charged may be lower, based on costs actually incurred. The actual level of fees charged will be disclosed in your Annual Statement, the Annual Report and will also be available on Local Government Super's website. Alternatively, you can contact Member Services for the information.

The actual investment and expense recovery fees deducted from investment returns as at the date of this fact sheet were as follows:



Administration costs

The Administration costs are different for the Accumulation and Executive Schemes.

The Administration costs for the Accumulation Scheme are \$4.33 per month. This amount is applicable to all members of Divisions A and P.

For Executive Scheme members, the Administration cost is different for contributory and deferred members. For contributory members, the fee is \$6.33 per month and for deferred members, \$4.33 per month.

Increases or alterations to fees and other costs

Fees are determined and reviewed at least annually by the Trustee. The Trustee will give you appropriate notice if fees and other costs are increased. The Trustee will provide you with at least 30 days notice if there is any increase in the maximum 1% investment and expense recovery fee quoted in the PDS. Any movement in this fee below the quoted maximum (for example where the Diversified investment strategy fee rises from 0.97% to 0.99%) will be reported to you in the Annual Report and will also be available from the

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