Investment Choice
Guide

Issued 1 July 2019

qsuper.qld.gov.au

QSuper

About this guide

We have put this guide together to help you understand the investment choices available with your Accumulation and/or Income account. You will find information about our range of investment options, our approach to investments, and how we manage some of the more technical aspects of investing. Together, this should provide you with the information you need to make an informed choice about how to invest your retirement savings. If you have any questions, or need any help, visit our website at **qsuper.qld.gov.au** or call us on **1300 360 750**.

Important information

This is the *Investment Choice Guide*. This guide contains detailed information about QSuper's investment options, the risks of investing, investment timeframes, and the fees for managing your investment in relation to the QSuper Accumulation account and Income account products.

The information in this document forms part of the *QSuper Product Disclosure Statement for Accumulation and Income Accounts* (PDS) issued 1 July 2019, as the PDS references information that you will find in this guide.

Other important information is contained in the *Accumulation Account Guide*, *Income Account Guide* and *Accumulation Account Insurance Guide*, which also form part of the PDS.

You should consider the information contained in the PDS before making any decisions about the Accumulation or Income account. If you need copies of any of the documents we refer to in this guide, you can download them from our website – **qsuper.qld.gov.au**, or call us and we will send them to you.

Keeping you informed

There may be changes from time to time to information contained in this document, the PDS and the guides. You can find out information about any changes that are not materially adverse by visiting our website at **qsuper.qld.gov.au** or calling us on **1300 360 750**. We will also send you a copy of the updated information on request, free of charge.

Contents

When you focus on members, awards come as no surprise

For further information about the methodology used by Chant West, see chantwest.com.au

The QSuper difference

Your super is likely to be one of the biggest investments of your life. We understand that and know you want to feel confident that, whatever level of involvement you want in investing your super, you have access to our unique investment strategies that adapt to your changing needs.

With more than one hundred years of experience, and a commitment of aiming to deliver strong long-term returns, our members have the confidence to enjoy today, knowing we're working hard to look after their retirement savings.

Strong performance

Our unique investment approach aims to provide strong returns over the long term, with fewer ups and downs along the way. In recent years QSuper moved to investing in a "risk-balanced" way by reducing a heavy reliance on equities for our diversified investment options. This is a break from existing industry practice, which is based on specific asset class diversification. Overall, we believe this can provide a better retirement outcome.

Our size offers opportunity

As one of Australia's largest super funds, with over $80 billion to invest, we have access to assets that are not available to individuals, self-managed super funds, or even many smaller super funds. This means we can invest in long-term infrastructure and property assets such as airports, utility companies, and high-profile property in locations like New York. These types of assets are designed to provide consistent, reliable income and stable long-term returns.

Our investment options

Let us manage your investments	Diversified and Single Sector options	Self Invest[1]
Accumulation account	**Take some control**	**Make all the decisions**
You can choose to leave your money in our default investment option, Lifetime. This option uses your age and Lifetime account balance to set an investment strategy that suits your life stage. **Income account** Your money will be automatically invested in our Balanced investment option. This option aims to offer stable growth, while minimising investment volatility.	Mix and match our options to suit your investment strategy. Diversified options • Moderate • Balanced • Socially Responsible • Aggressive Single sector options • Cash • Diversified Bonds • International Shares • Australian Shares	Take full control of where your super is invested. You can invest in: • S&P/ASX 300 shares • Exchange traded funds (EFTs) • Term deposits

1 Self Invest is not available with Transition to Retirement Income accounts.

Making an investment choice

If you want QSuper to manage your investment strategy, you can choose to leave your money in our default investment options of Lifetime (if you have an Accumulation account) or Balanced (if you have an Income account).

Lifetime is an innovative investment option that uses your age and Lifetime account balance to set an investment strategy to suit your life stage. This means your money is invested more aggressively when you are younger, and will be more protected as you approach retirement. Meanwhile, Balanced aims to offer stable growth, while minimising investment volatility.

However, if you would like more control over your investments, you can make an investment choice.

Learn

Read the information in this guide about the relationship between risk, return and time, how our investment options are invested, and their risk and return profiles.

Consider your situation

Ask yourself the following questions:

- How long are you investing for?
- What level of risk can, or should, you take to achieve your retirement goals?
- To what extent would short or medium-term losses impact these retirement goals?

Get advice

As a QSuper member, you have access to advice to help you make the right choice for you.

Log in to Member Online for online advice, or call us to get advice over-the-phone about your QSuper account, at no additional cost.[1]

Take action

If you decide that the default option is right for you, you do not need to do anything as we automatically invest your money in these options.

If you think that one or more of our other options are a better fit, make an investment choice by logging in to Member Online or completing a *Switch Investments* form available at **qsuper.qld.gov.au/forms**

Getting help

Visit our website – **qsuper.qld.gov.au** for more resources to help you make an investment decision:

- **Online advice:** Identify your risk profile and find out what investment options are suited to you.
- **Investment Choice Calculator:** Understand how our different options are invested.
- **Retirement Income Calculator**: See if you are on track to meet your retirement goals, and the difference changing your investment strategy could make.
- **Performance graphs:** Understand how each option has performed in the past (keep in mind that this is not a guarantee of future performance).

Managing your investment strategy

You can change the way your super is invested at any time. If you have an Accumulation account, you can also decide how you want any future contributions invested, and if you are an Income account holder you can choose which of your investment options your payments are made from. You can update these choices at any time, free of charge.[2]

This can be done by logging in to Member Online, or sending us a *Switch Investments* form available at **qsuper.qld.gov.au/forms** or by calling us to request a copy.

Your super is a long-term investment so any investment decisions you make should be based on your personal circumstances, a good understanding of what your retirement goals are, and what investment strategy is most likely to help you reach those goals.

Book a place at one of our seminars to find out more about investment strategies. Go to **qsuper.qld.gov.au/seminars** for more information.

1 Refer to the *Financial Services Guide* for more information.
2 We reserve the right to limit investment switches and partial withdrawals. See **qsuper.qld.gov.au** for information and changes.

Understanding the investment basics

Asset classes

Assets are the building blocks of your investment. An asset class is simply a group of investments that have similar characteristics. Understanding what these asset classes are, and how they might perform, can help you to decide which investments are right for you.

Asset class	How it is invested
Cash	Cash is usually invested in the short-term money market, and can include deposits at call, bank bills, term deposits and negotiable certificates of deposit. You can also access term deposits directly through Self Invest. Cash is considered the most secure asset class and generally has the lowest volatility and long-term returns.
Fixed interest (bonds)	This is like a loan to a government or a company – the interest rate is set in advance and the principal is paid back at maturity. Bonds can be actively traded (which means their value will change as interest rates change in the market), so they have the potential for both positive and negative returns. Bonds can be used to protect capital, enhance returns or act as a hedge against inflation.
Real estate	Real estate (property) investments include commercial buildings like offices or shopping centres, industrial properties or residential. Property can change in value, and distributions of rent also contribute to return. Generally, property is designed to achieve higher returns over the longer term, but returns can be volatile over the short term.
Equities (shares)	Equities cover Australian and International shares and private equity. Buying shares means that you own part of a company (either in Australia or overseas). The investment returns from shares can come both from the change in the value of the shares, and the payment of dividends. Private equity can be equity (or debt) in companies that are not publicly traded on a stock exchange. Equities have historically delivered higher returns over the long term, but their value is more likely to fluctuate over shorter time periods.
Infrastructure	Infrastructure is investing in all the facilities that help a government or community to run. This can be roads, utilities (such as power, water or gas), transport (like airports, sea ports or toll roads) or public buildings (schools or libraries). Investment can either be directly into single assets or into externally-managed infrastructure funds. Infrastructure investments can have both defensive and/or growth characteristics. That's because these investments aim to achieve returns through both income and potential capital gain when the assets are sold.
Commodities	Commodities cover resources such as base and other metals, natural gas, petroleum, or other raw materials. These can provide protection in periods of high inflation. Investment is not in the physical (or hard) assets but rather in derivative instruments (such as futures contracts) giving exposure to the underlying commodity.
Alternative assets	Alternative assets, as the name might suggest, are a little different to the more traditional asset classes. They can be both defensive and/or growth assets, which means they can offer a level of diversification you don't generally get in the more traditional assets. The types of alternatives we may invest in include: • Incubator assets (small investments in new return sources that have strong prospects, but an 'as yet' limited realised track record). • Managed funds (where we invest with others in specific strategies, often through external providers).

Investing and risk

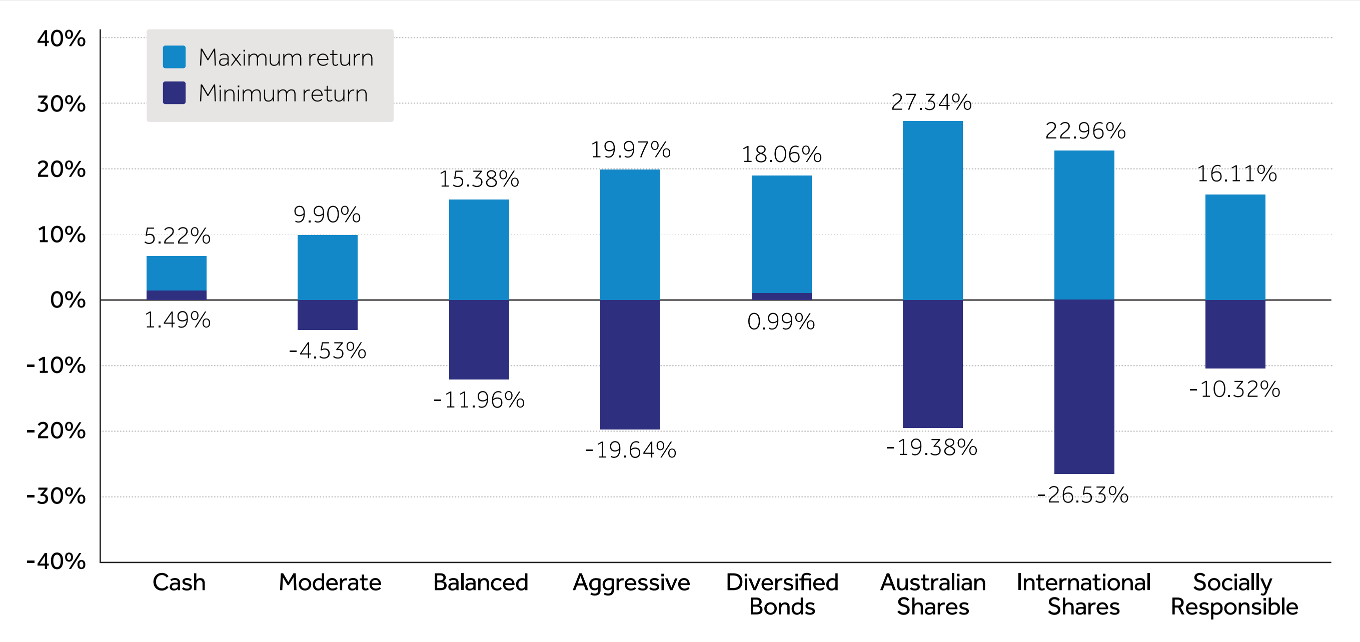
All investment comes with some kind of risk. The key is to understand what the different types of risk are, and how they might affect you. Understanding how you feel about risk and return can help you to build a strategy that suits your timeframes, needs and objectives, both when you're growing your super, and then when you're spending it.

A key investment risk is market volatility. This is the risk that the value of your investment will go down as well as up. Negative returns are a normal thing for some asset classes, as markets tend to move in cycles.

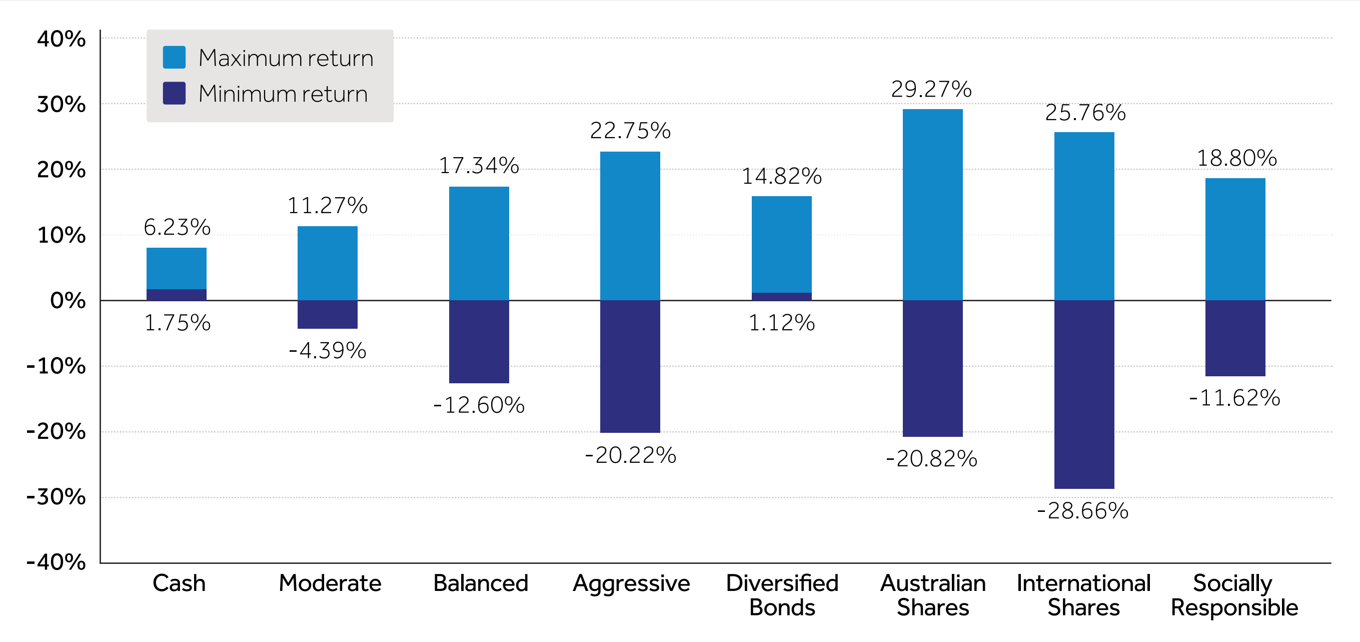
Consider how comfortable you are with short-term losses (volatility). Also think about this in the context of long-term returns (as super is a long-term investment). Generally, investments with a higher risk have a larger range of returns, while those with lower risk have a smaller range of returns.

This is illustrated by the graph below, which shows the highest and lowest returns (net of fees and tax) for each of our Diversified and Single Sector investment options since their first full financial year of returns. You can find recent performance for our Lifetime groups at **qsuper.qld.gov.au/performance**. Some of the other risks you need to consider when choosing an investment strategy are outlined on page 6. Past performance is not a reliable indicator of future performance.

Range of financial year annual returns – QSuper Accumulation account[1]



Range of financial year annual returns – QSuper Income account[1]



1 Returns to 30 June 2018.

Standard Risk Measure (SRM)

The Standard Risk Measure is based on industry guidance to allow you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period.

The SRM is not a complete assessment of all forms of investment risk. For example, it does not show what the size of a negative return could be or the potential for a positive return to be less than you might need to meet your objectives. It also does not take into account the impact of administration fees and tax on the likelihood of a negative return. For these reasons, you should always make sure you are comfortable with the risks and potential losses associated with the investment option/s you choose.

The table opposite shows the seven SRM classification bands. More information on SRMs, including the methodology we use to calculate the SRM for each option, can be found on our website at **qsuper.qld.gov.au/srm**

Risk label	Estimated number of negative annual returns over any 20-year period
Very low	Less than 0.5
Low	0.5 to less than 1
Low to medium	1 to less than 2
Medium	2 to less than 3
Medium to high	3 to less than 4
High	4 to less than 6
Very high	6 or greater

You can find the SRM for each of our investments (based on their asset allocation and objectives) below and also on pages 9 to 17. Just look for one of these:

Medium

The SRM of QSuper's investment options

The table below gives you a snapshot of the SRM of the various QSuper investment options (or in the case of Self Invest, the relative risks of the investments you can choose in that option).

SRM	Very low	Low	Low to medium	Medium	Medium to high	High	Very high
QSuper Lifetime	Sustain 2	Sustain 1		Focus 1 Focus 2 Focus 3	Outlook Aspire 1 Aspire 2		
Diversified		Moderate		Balanced	Aggressive	Socially Responsible	
Single Sector	Cash		Diversified Bonds				Australian Shares International Shares
Self Invest	Cash Transaction account	Term Deposits					ASX300 Shares ETFs

It's all about the long term

When looking at investment returns, it is important to remember that a one-year return provides limited information. Markets can be volatile, meaning returns can fluctuate wildly from one year to the next. That's why you should focus on long-term returns as the most meaningful measure of success.[1]

1 Past performance is not a reliable indicator of future performance.

Risks of investing

Longevity risk

This is the risk that your super will run out. If you are still saving for when you stop working, it is important to consider how much you might need in retirement, and the investment options that might best help you get there. If you are already retired, it is important to have an investment strategy that will help your super go the distance.

Specific risk

This is the risk associated with any single share or security. Specific risk is especially relevant if you choose your own Australian shares investments in Self Invest.

Inflation risk

Inflation risk is the loss of purchasing power. This is the risk that your investment returns do not grow enough above inflation, meaning that your money will effectively be worth less than when you started.

Sequence risk

Sequencing risk simply describes the impact of loss on members at different stages of their life journey. Those in retirement who are not working, often have higher superannuation account balances and will be more substantially impacted by investment losses than younger members with lower balances and who are still making super contributions.

Investment manager risk

This is the risk an investment manager will not achieve their return target.

Liquidity risk

Liquidity risk refers to not being able to sell an asset quickly without losing value. This is something you need to consider if you invest in a term deposit through Self Invest.

Timing risk

Timing risk is the risk of selling an investment at the wrong time and losing value. Selling an investment when prices are low might mean that you lose money. Timing risk can also relate to trying to predict future prices in making investment decisions. This can be more significant when switching investment options.

Market volatility

This is the risk that the value of your investment will go down as well as up. Negative returns are a normal thing for some asset classes, as markets tend to move in cycles.

Risks of Self Invest

What makes Self Invest different from our other investment options is that you need to accept the additional level of risk that comes with managing your own investments. As with any investment, there is the potential for losses, and the performance in Self Invest will depend on your management skills, the investments you choose and the decisions you make. If you want to invest in shares and exchange traded funds, it is probably also a good idea to think about whether you have the time and expertise to manage your investments.

While term deposits are not generally considered a risky investment, they come with a liquidity risk – i.e. your money is locked away until the term deposit matures. There are only very limited circumstances when we can redeem your term deposit early, which are outlined in the *Self Invest Guide*.

Let QSuper manage your investment strategy

We know that many people just want the peace of mind of knowing their investment strategy is in the hands of someone they can trust. That's why we offer Lifetime as the default option for our Accumulation account members.

If you have a Transition to Retirement or Retirement Income account, we automatically invest your money in the Balanced option, unless you have made an investment choice, as it is a diversified option designed to minimise volatility and produce steady growth. You will find more information about it on page 13.

QSuper Lifetime – a snapshot

Lifetime is made up of eight different groups, each tailored to match your life stage. This option has been designed because someone who has just finished university has very different investment needs to someone retiring next year. With Lifetime, as you move through your life, your investment strategy will move with you.

What makes our approach so innovative is that we also take your Lifetime balance into account. For example, if you are getting close to retirement but have a relatively low balance, we will make sure you are still invested in some growth assets, to help give your super a chance to grow in those last few critical years.

Every six months (in May and November) we check your age and Lifetime balance, and if needed move you to another group.

The table below gives an overview of the Lifetime groups. You will find more details on pages 9-12.

Definitions

Objective: In Lifetime, this is the targeted investment return objective after fees and taxes, measured over rolling 10-year periods.

Timeframe: This is the minimum suggested investment timeframe.

Standard Risk Measure (SRM): The SRM number helps you compare investment options by showing how many times a negative annual return is expected over a 20-year period. Note, the SRM doesn't give you a total picture of all forms of risk. Refer to pages 5 and 6 for more information.

Accumulation account – Lifetime groups

Outlook Aged under 40	**Aspire** Aged 40-49	**Focus** Aged 50-57	**Sustain** Aged 58 or over
Suitable for long-term investors who want exposure to assets with potentially higher returns.	Suitable for medium to long-term investors who want exposure to assets with potentially higher returns.	Suitable for medium-term investors who want exposure to assets with potentially higher returns.	Suitable for investors who are close to or in retirement.
Outlook **Balance:** Any **Objective:** CPI +4.5% p.a. **Timeframe:** 10+ years **Risk:** Medium to high **SRM:** 3-4	**Aspire 1** **Balance:** Less than $50,000 **Objective:** CPI +4.5% p.a. **Timeframe:** 10+ years **Risk:** Medium to high **SRM:** 3-4	**Focus 1** **Balance:** Less than $100,000 **Objective:** CPI +4.0% p.a. **Timeframe:** 5+ years **Risk:** Medium **SRM:** 2-3	**Sustain 1** **Balance:** Less than $300,000 **Objective:** CPI +2.5% p.a. **Timeframe:** 2+ years **Risk:** Low **SRM:** 0.5 to less than 1
	Aspire 2 **Balance:** $50,000 or more **Objective:** CPI +4.0% p.a. **Timeframe:** 10+ years **Risk:** Medium to high **SRM:** 3-4	**Focus 2** **Balance:** $100,000 to less than $250,000 **Objective:** CPI +3.75% p.a. **Timeframe:** 5+ years **Risk:** Medium **SRM:** 2-3	**Sustain 2** **Balance:** $300,000 or more **Objective:** CPI +2.0% p.a. **Timeframe:** 2+ years **Risk:** Very low **SRM:** less than 0.5
		Focus 3 **Balance:** $250,000 or more **Objective:** CPI +3.5% p.a. **Timeframe:** 5+ years **Risk:** Medium **SRM:** 2-3	

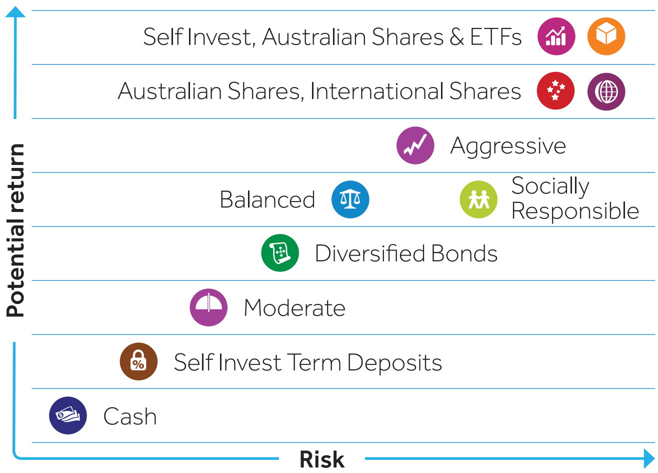
Choose your own investment strategy

If you would like more control over your investments, you can choose from a range of Diversified and Single Sector options. These options are managed by a team of professionals, so you can feel confident your money is in safe hands. Alternatively, you have the option of Self Invest which allows you to manage your own investments.

Diversified, Single Sector and Self Invest options – a snapshot

Diversified options are pre-mixed investment options offering diversification across asset classes. With our Single Sector options, you can specify exactly how much of your super is invested in a single asset class. Self Invest allows you to invest in term deposits, ASX 300 shares and/or exchange traded funds.

The table below lists our investment options and illustrates the possible risks and returns you might expect over the long term. The risks and returns illustrated below aren't guaranteed and are indicative of past performance only. You will find more details about our Diversified and Single Sector options on pages 13-17.



Understanding your investment options

On the next few pages, you will find more detail about each investment option. To help you understand our investment options, refer to the guide below.

Name of investment option

Outlook

You are under 40

Outlook is your group if:

- You have an Accumulation account
- You are under 40, and
- You have any money invested in Lifetime.

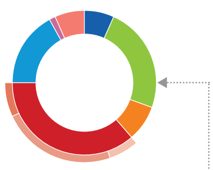
If you are a long-term investor and want exposure to assets that will potentially give you higher returns, Outlook may be suitable for you.

Investment timeframe: Minimum of 10 years.

Objective: An annual return of CPI+ 4.5% (after fees and tax), measured over rolling 10-year periods.

Risk: A negative annual return is expected between 3 and 4 times in any 20 years.

Medium to high



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	0 – 15	6.8
Fixed interest	0 – 35	23.8
Real estate	0 – 25	8.2
Equities	5 – 65	36.3
Infrastructure	0 – 25	16.9
Commodities	0 – 20	1.3
Alternative assets	0 – 30	6.6

Investment returns at 31 March 2019[2,3]	
1 year	8.42%
5 year p.a.	n/a
10 year p.a.	n/a

Investment fee and costs[4]	
Investment base	0.33% p.a.
Performance-based	0.33% p.a.
Total investment fee	**0.66% p.a.**
Indirect cost ratio	**0.11% p.a.**

A short summary of the investment option and what sort of investor it may suit

The suggested period of time that you keep your investment in this option

The return we are aiming to achieve for this investment option, it is not a guaranteed rate of return

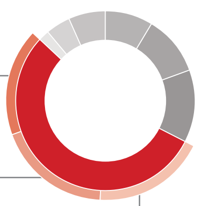
A guide to the likely number of negative annual returns over any 20 year period

The asset classes that make up this investment option, their percentage and the asset allocation ranges

Australian equities

International equities

Private equity



Equities includes Australian equities, International equities and private equity.

The actual asset allocation changes on a regular basis, please see our website for up-to-date figures. Figures have been rounded for member reporting purposes.

The average return of this investment option over a given time period

A breakdown of the investment fees and costs for this option

Lifetime – changes as your life and needs evolve

Outlook

You are under 40

Outlook is your group if:

- You have an Accumulation account
- You are under 40, and
- You have any money invested in Lifetime.

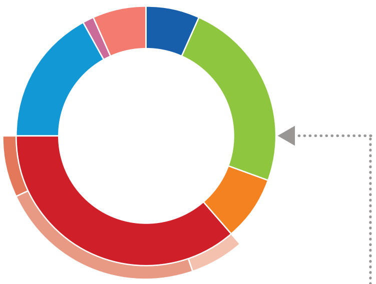
If you are a long-term investor and want exposure to assets that will potentially give you higher returns, Outlook may be suitable for you.

Investment timeframe: Minimum of 10 years.

Objective: An annual return of CPI+ 4.5% (after fees and tax), measured over rolling 10-year periods.

Risk: A negative annual return is expected between 3 and 4 times in any 20 years.

Medium to high



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	0 – 15	6.8
Fixed interest	0 – 35	23.8
Real estate	0 – 25	8.2
Equities	5 – 65	36.3
Infrastructure	0 – 25	16.9
Commodities	0 – 20	1.3
Alternative assets	0 – 30	6.6

Investment returns at 31 March 2019[2,3]	
1 year	8.42%
5 year p.a.	n/a
10 year p.a.	n/a

Investment fee and costs[4]	
Investment base	0.33% p.a.
Performance-based	0.33% p.a.
Total investment fee	**0.66% p.a.**
Indirect cost ratio	**0.11% p.a.**

Aspire 1

You are 40-49

Aspire 1 is your group if:

- You have an Accumulation account
- You are 40-49, and
- You have less than $50,000 invested in Lifetime.

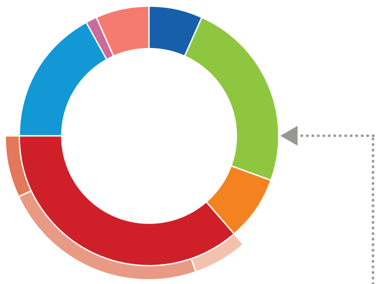
If you are a medium to long-term investor with a lower account balance and want exposure to assets that will potentially give you higher returns, Aspire 1 may be suitable for you.

Investment timeframe: Minimum of 10 years.

Objective: An annual return of CPI+ 4.5% (after fees and tax), measured over rolling 10-year periods.

Risk: A negative annual return is expected between 3 and 4 times in any 20 years.

Medium to high



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	0 – 15	6.8
Fixed interest	0 – 35	23.8
Real estate	0 – 25	8.2
Equities	5 – 65	36.3
Infrastructure	0 – 25	16.9
Commodities	0 – 20	1.3
Alternative assets	0 – 30	6.6

Investment returns at 31 March 2019[2,3]	
1 year	8.57%
5 year p.a.	n/a
10 year p.a.	n/a

Investment fee and costs[4]	
Investment base	0.27% p.a.
Performance-based	0.26% p.a.
Total investment fee	**0.53% p.a.**
Indirect cost ratio	**0.10% p.a.**

1 Percentages are subject to rounding.
2 Past performance is not a reliable indicator of future performance.
3 Return net of administration fees, investment fees and costs and taxes.
4 The investment fee figure and indirect cost ratio is based on the fees and costs for the financial year ended 30 June 2019 and may differ from future fees and costs. In addition, the administration fee of 0.16% p.a. and other applicable fees are deducted daily from the unit price before the unit price is declared.

Aspire 2

You are 40-49

Aspire 2 is your group if:

- You have an Accumulation account
- You are 40-49, and
- You have $50,000 or more invested in Lifetime.

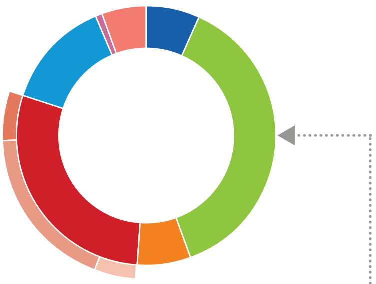
If you are a medium to long-term investor with a higher account balance and want exposure to assets that will potentially give you higher returns, Aspire 2 may be suitable for you.

Investment timeframe: Minimum of 10 years.

Objective: An annual return of CPI+ 4.0% (after fees and tax), measured over rolling 10-year periods.

Risk: A negative annual return is expected between 3 and 4 times in any 20 years.

Medium to high



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	0 – 20	6.8
Fixed interest	10 – 60	37.7
Real estate	0 – 25	6.6
Equities	5 – 50	29.0
Infrastructure	0 – 25	13.5
Commodities	0 – 20	1.0
Alternative assets	0 – 30	5.3

Investment returns at 31 March 2019[2,3]	
1 year	8.52%
5 year p.a.	n/a
10 year p.a.	n/a

Investment fee and costs[4]	
Investment base	0.27% p.a.
Performance-based	0.26% p.a.
Total investment fee	**0.53% p.a.**
Indirect cost ratio	**0.10% p.a.**

Focus 1

You are 50-57

Focus 1 is your group if:

- You have an Accumulation account
- You are 50-57, and
- You have less than $100,000 invested in Lifetime.

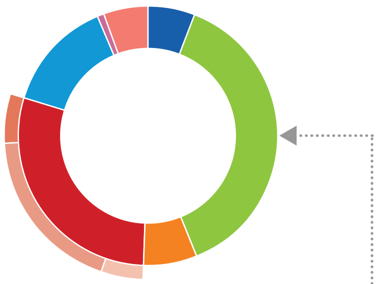
If you are a medium-term investor with a low account balance and want exposure to assets that will potentially give you higher returns, Focus 1 may be suitable for you.

Investment timeframe: Minimum of 5 years.

Objective: An annual return of CPI+ 4.0% (after fees and tax), measured over rolling 10-year periods.

Risk: A negative annual return is expected between 2 and 3 times in any 20 years.

Medium



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	0 – 20	5.9
Fixed interest	10 – 60	38.1
Real estate	0 – 25	6.6
Equities	5 – 50	29.3
Infrastructure	0 – 25	13.7
Commodities	0 – 20	1.0
Alternative assets	0 – 30	5.3

Investment returns at 31 March 2019[2,3]	
1 year	8.01%
5 year p.a.	n/a
10 year p.a.	n/a

Investment fee and costs[4]	
Investment base	0.23% p.a.
Performance-based	0.22% p.a.
Total investment fee	**0.45% p.a.**
Indirect cost ratio	**0.07% p.a.**

1 Percentages are subject to rounding.
2 Past performance is not a reliable indicator of future performance.
3 Return net of administration fees, investment fees and costs and taxes.
4 The investment fee figure and indirect cost ratio is based on the fees and costs for the financial year ended 30 June 2019 and may differ from future fees and costs. In addition, the administration fee of 0.16% p.a. and other applicable fees are deducted daily from the unit price before the unit price is declared.

Focus 2

You are 50-57

Focus 2 is your group if:

- You have an Accumulation account
- You are 50-57, and
- You have $100,000 to less than $250,000 invested in Lifetime.

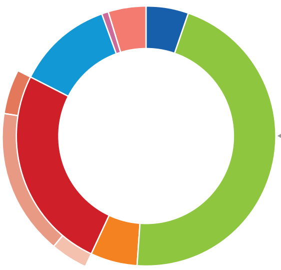
If you are a medium-term investor with a moderate account balance and want exposure to assets that will potentially give you higher returns, Focus 2 may be suitable for you.

Investment timeframe: Minimum of 5 years.

Objective: An annual return of CPI+ 3.75% (after fees and tax), measured over rolling 10-year periods.

Risk: A negative annual return is expected between 2 and 3 times in any 20 years.

Medium



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	0 – 25	5.5
Fixed interest	20 – 70	45.7
Real estate	0 – 20	5.8
Equities	0 – 45	25.6
Infrastructure	0 – 20	11.9
Commodities	0 – 20	0.9
Alternative assets	0 – 25	4.6

Investment returns at 31 March 2019[2,3]	
1 year	7.66%
5 year p.a.	n/a
10 year p.a.	n/a

Investment fee and costs[4]	
Investment base	0.23% p.a.
Performance-based	0.22% p.a.
Total investment fee	**0.45% p.a.**
Indirect cost ratio	**0.07% p.a.**

Focus 3

You are 50-57

Focus 3 is your group if:

- You have an Accumulation account
- You are 50-57, and
- You have $250,000 or more invested in Lifetime.

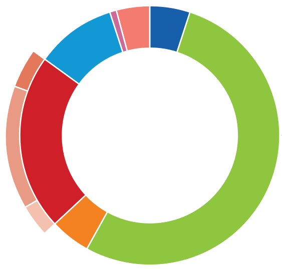
If you are a medium-term investor with a high account balance and want exposure to assets that will potentially give you higher returns, Focus 3 may be suitable for you.

Investment timeframe: Minimum of 5 years.

Objective: An annual return of CPI+ 3.5% (after fees and tax), measured over rolling 10-year periods.

Risk: A negative annual return is expected between 2 and 3 times in any 20 years.

Medium



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	0 – 30	5.0
Fixed interest	30 – 75	53.3
Real estate	0 – 20	4.9
Equities	0 – 45	21.8
Infrastructure	0 – 20	10.2
Commodities	0 – 20	0.8
Alternative assets	0 – 25	4.0

Investment returns at 31 March 2019[2,3]	
1 year	7.31%
5 year p.a.	n/a
10 year p.a.	n/a

Investment fee and costs[4]	
Investment base	0.23% p.a.
Performance-based	0.22% p.a.
Total investment fee	**0.45% p.a.**
Indirect cost ratio	**0.07% p.a.**

1 Percentages are subject to rounding.
2 Past performance is not a reliable indicator of future performance.
3 Return net of administration fees, investment fees and costs and taxes.
4 The investment fee figure and indirect cost ratio is based on the fees and costs for the financial year ended 30 June 2019 and may differ from future fees and costs. In addition, the administration fee of 0.16% p.a. and other applicable fees are deducted daily from the unit price before the unit price is declared.

Sustain 1

You are 58 or over

Sustain 1 is your group if:

- You have an Accumulation account
- You are 58 or over, and
- You have less than $300,000 invested in Lifetime.

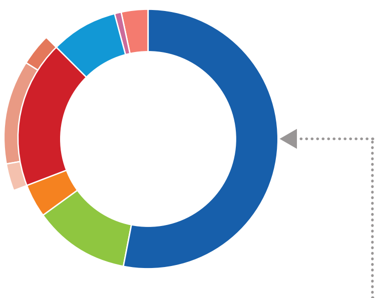
If you are close to, or in, retirement, Sustain 1 may be suitable for you.

Investment timeframe: Minimum of 2 years.

Objective: An annual return of CPI+ 2.5% (after fees and tax), measured over rolling 10-year periods.

Risk: A negative annual return is expected between 0.5 and once in any 20 years.

Low



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	40 – 75	53.2
Fixed interest	0 – 35	12.0
Real estate	0 – 20	4.1
Equities	0 – 45	18.2
Infrastructure	0 – 20	8.5
Commodities	0 – 20	0.6
Alternative assets	0 – 25	3.3

Investment returns at 31 March 2019[2,3]	
1 year	5.17%
5 year p.a.[4]	5.55%
10 year p.a.	n/a

Investment fee and costs[5]	
Investment base	0.17% p.a.
Performance-based	0.13% p.a.
Total investment fee	**0.30% p.a.**
Indirect cost ratio	**0.04% p.a.**

Sustain 2

You are 58 or over

Sustain 2 is your group if:

- You have an Accumulation account
- You are 58 or over, and
- You have $300,000 or more invested in Lifetime.

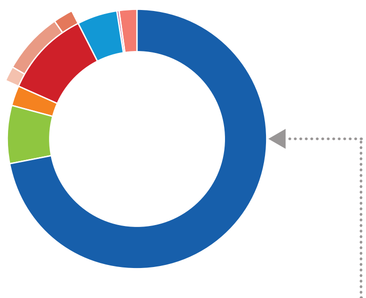
If you are close to, or in, retirement, Sustain 2 may be suitable for you.

Investment timeframe: Minimum of 2 years.

Objective: An annual return of CPI+ 2.0% (after fees and tax), measured over rolling 10-year periods.

Risk: A negative annual return is expected less than 0.5 times in any 20 years.

Very low



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	50 – 90	72.2
Fixed interest	0 – 35	7.1
Real estate	0 – 20	2.5
Equities	0 – 45	10.8
Infrastructure	0 – 20	5.1
Commodities	0 – 20	0.4
Alternative assets	0 – 25	2.0

Investment returns at 31 March 2019[2,3]	
1 year	3.69%
5 year p.a.[4]	3.93%
10 year p.a.	n/a

Investment fee and costs[5]	
Investment base	0.17% p.a.
Performance-based	0.13% p.a.
Total investment fee	**0.30% p.a.**
Indirect cost ratio	**0.04% p.a.**

1 Percentages are subject to rounding. **2** Past performance is not a reliable indicator of future performance. **3** Return net of administration fees, investment fees and costs and taxes. **4** Compound annualised return, net of administration fees, investment fees and costs and taxes. **5** The investment fee figure and indirect cost ratio is based on the fees and costs for the financial year ended 30 June 2019 and may differ from future fees and costs. In addition, the administration fee of 0.16% p.a. and other applicable fees are deducted daily from the unit price before the unit price is declared.

Diversified options

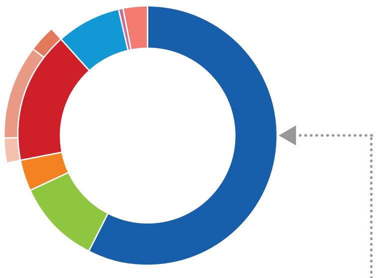
Moderate

If you want short to medium-term stability, but want some exposure to assets that will potentially give you higher returns, Moderate may be suitable for you. You should be aware that in return for shorter-term stability you may be sacrificing the potential for higher long-term returns.

Investment timeframe: More than 3 years.

Objective: An annual return of CPI+ 2.5% (after fees and tax), measured over rolling 3-year periods.

Risk: A negative annual return is expected between 0.5 and once in any 20 years.



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	40 – 70	57.6
Fixed interest	2.5 – 17.5	10.7
Real estate	0 – 10	3.8
Equities	12.5 – 27.5	16.5
Infrastructure	0 – 10	7.8
Commodities	0 – 7.5	0.6
Alternative assets	0 – 12.5	3.0

Investment returns at 31 March 2019[2,3]	Accumulation	Income
1 year	4.81%	5.53%
5 year p.a.[4]	5.22%	5.77%
10 year p.a.[4]	6.25%	6.94%

Investment fee and costs[5]	
Investment base	0.18% p.a.
Performance-based	0.15% p.a.
Total investment fee	**0.33% p.a.**
Indirect cost ratio	**0.05% p.a.**

Balanced

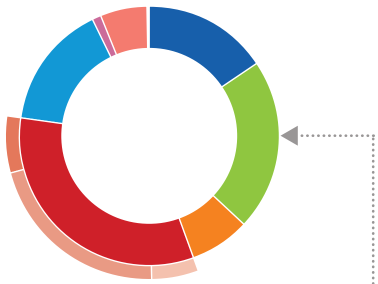
This is the default investment option for the Income account.

If you are a medium to long-term investor and want exposure to assets that will potentially give you higher returns, Balanced may be suitable for you. You need to be prepared to accept that this option could experience negative returns over the short term.

Investment timeframe: More than 5 years.

Objective: An annual return of CPI+ 3.5% (after fees and tax), measured over rolling 10-year periods.

Risk: A negative annual return is expected between 2 and 3 times in any 20 years.



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	0 – 25	15.6
Fixed interest	5 – 35	21.5
Real estate	0 – 20	7.5
Equities	25 – 55	32.9
Infrastructure	0 – 20	15.4
Commodities	0 – 15	1.2
Alternative assets	0 – 25	6.0

Investment returns at 31 March 2019[2,3]	Accumulation	Income
1 year	7.82%	8.85%
5 year p.a.[4]	8.62%	9.44%
10 year p.a.[4]	9.34%	10.40%

Investment fee and costs[5]	
Investment base	0.29% p.a.
Performance-based	0.29% p.a.
Total investment fee	**0.58% p.a.**
Indirect cost ratio	**0.09% p.a.**

1 Percentages are subject to rounding. **2** Past performance is not a reliable indicator of future performance. **3** Return net of administration fees, investment fees and costs and taxes. **4** Compound annualised return, net of administration fees, investment fees and costs and taxes. **5** The investment fee figure and indirect cost ratio is based on the fees and costs for the financial year ended 30 June 2019 and may differ from future fees and costs. In addition, the administration fee of 0.16% p.a. and other applicable fees are deducted daily from the unit price before the unit price is declared.

Aggressive

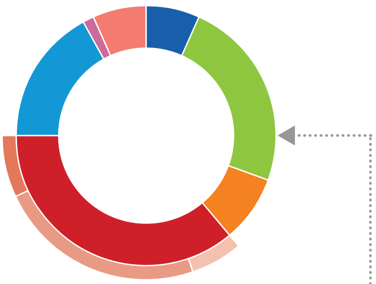
If you are a long-term investor and want exposure to assets that will potentially give you higher returns, Aggressive may be suitable for you. You need to be prepared to accept that this option could experience negative returns over the short to medium-term.

Investment timeframe: More than 10 years.

Objective: An annual return of CPI+ 4.5% (after fees and tax), measured over rolling 10-year periods.

Risk: A negative annual return is expected between 3 and 4 times in any 20 years.

Medium to high



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	0 – 15	6.9
Fixed interest	5 – 35	23.8
Real estate	0 – 20	8.2
Equities	25 – 55	36.3
Infrastructure	0 – 25	16.9
Commodities	0 – 15	1.3
Alternative assets	0 – 25	6.6

Investment returns at 31 March 2019[2,3]	Accumulation	Income
1 year	8.47%	9.50%
5 year p.a.[4]	9.58%	10.28%
10 year p.a.[4]	10.66%	11.93%

Investment fee and costs[5]	
Investment base	0.32% p.a.
Performance-based	0.32% p.a.
Total investment fee	**0.64% p.a.**
Indirect cost ratio	**0.09% p.a.**

Socially Responsible[6]

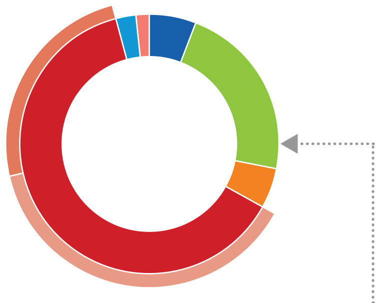
If you are a medium to long-term investor and want your investment to consider environmental, social and ethical considerations, Socially Responsible may be suitable for you. You should be aware that this option has exposure to assets that will potentially give you higher returns, so you need to be prepared to accept that you could experience negative returns over the short term.

Investment timeframe: More than 5 years.

Objective: An annual return of CPI+ 3.5% (after fees and tax), measured over rolling 5-year periods.

Risk: A negative annual return is expected between 4 and 6 times in any 20 years.

High



Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[1]
Cash	0 – 20	5.9
Fixed interest	0 – 35	22.3
Real estate	0 – 10	5.1
Equities[6]	30 - 98	62.7
Infrastructure	0 – 7	2.5
Commodities	n/a	-
Alternative assets	0 – 6	1.5

Investment returns at 31 March 2019[2,3]	Accumulation	Income
1 year	6.86%	7.59%
5 year p.a.[4]	6.23%	6.94%
10 year p.a.[4]	7.76%	8.75%

Investment fee and costs[5]	
Investment base	0.64% p.a.
Performance-based	0.08% p.a.
Total investment fee	**0.72% p.a.**
Indirect cost ratio	**0.18% p.a.**

1 Percentages are subject to rounding. **2** Past performance is not a reliable indicator of future performance. **3** Return net of administration fees, investment fees and costs and taxes. **4** Compound annualised return, net of administration fees, investment fees and costs and taxes. **5** The investment fee figure and indirect cost ratio is based on the fees and costs for the financial year ended 30 June 2019 and may differ from future fees and costs. In addition, the administration fee of 0.16% p.a. and other applicable fees are deducted daily from the unit price before the unit price is declared. **6** This option is managed externally through AMP Capital Investors Limited. Asset allocations are current at 31 March 2019 and are subject to change from time to time, noting that private equity is included with alternatives. More information is available in the AMP Responsible Investment Leaders Balanced Fund Information Memorandum (for institutional investors), which is available from www.ampcapital.com.au

Socially Responsible option

If knowing that your money is being invested according to social, ethical and environmental principles is important to you, then you may be interested in our Socially Responsible investment option. This option is managed by AMP Capital Investors through its Responsible Investment Leaders Balanced Fund (RIL).

This option is invested across a wide range of asset classes. The responsible investment focus as described below is applied across the RIL Range for listed equities and fixed interest. Broad environmental, social and governance considerations will be taken into account for investments in direct property and alternative assets. AMP will continue to seek other asset classes for responsible investment over time.

Managers will be selected based on their investment credentials and processes, and their ability to factor broader environmental, social and governance factors into security selection.

Specifically, AMP will strive to seek out managers who are identifying companies that are leaders across industries in their responsible approach in a range of areas including:

- **Ethical considerations** – including upholding fundamental human rights, and articulating and implementing a code of conduct.
- **Labour standards** – including implementing occupational health and safety regulations, adhering to the standards of the International Labour Organisation (ILO), providing safe and stable working conditions, and excluding child labour.
- **Social considerations** – including promoting indigenous relations and community involvement.
- **Environmental considerations** – including efficient energy and resource use, and product stewardship (e.g. where a company takes into account the lifecycle of its product, from manufacture to the extent to which the product can be recycled).
- **Governance considerations** – including meeting corporate governance guidelines on board structures and remuneration.

This option will avoid companies operating within sectors recognised to have a high negative social impact. This means that AMP will avoid exposure (either directly or indirectly through underlying managers and funds) to companies with a material exposure to the production or manufacture of:

- Tobacco
- Nuclear power (including uranium)
- Armaments
- Gambling
- Alcohol
- Pornography.

A company deriving more than 10% of its total revenue from these industries constitutes material exposure.

In addition, with the combustion of fossil fuels being the main source of global greenhouse gas emissions, the RIL Range seeks to limit exposure to companies which have a material exposure to the most carbon intensive fossil fuels by excluding any company that has more than a 20% exposure (as measured by percentage of market capitalisation, or other appropriate financial metric) to one, or a combination of the following:

- Mining thermal coal
- Exploration and development of oil sands
- Brown-coal (or lignite) coal-fired power generation
- Transportation of oil from oil sands
- Conversion of coal to liquid fuels/feedstock.

You can read more about AMP's selection criteria, and more information about the option, in the AMP Responsible Leaders Funds Information Memorandum (for institutional investors). You can download a copy at **www.ampcapital.com.au**

QSuper can vary the current arrangement with AMP at any time, and can also change the manager of the Socially Responsible option if we feel it is appropriate.

Single Sector options

Our Single Sector options offer a chance to build your own diverse portfolio. You can choose to invest in a mix of these options, or combine them with our Diversified, Lifetime[1] and or Self Invest[2] options.

Cash

If you are a short-term investor who wants to protect the value of your investment, the Cash option may be suitable for you. However, you should also be aware that there will be little short-term real growth.

Investment timeframe: Less than 1 year.

Objective: To match the return of the Bloomberg AusBond Bank Bill Index,[3] after fees and tax.

Risk: A negative annual return is expected less than 0.5 times in any 20 years.

Very low

Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[4]
Cash	100	100

Investment returns at 31 March 2019[5,6]	Accumulation	Income
1 year	1.70%	2.00%
5 year p.a.[7]	1.75%	2.05%
10 year p.a.[7]	2.57%	3.01%

Investment fee and costs[8]	
Investment base	0.06% p.a.
Performance-based	0.00% p.a.
Total investment fee	**0.06% p.a.**
Indirect cost ratio	**0.00% p.a.**

Diversified Bonds[9]

If you are a short to medium-term investor who wants steady returns, the Diversified Bonds option may be suitable for you. However, you should be prepared for the value of your investment to have some small movements over the short term.

Investment timeframe: More than 3 years.

Objective: To match the return of a 40% Australian and 60% international diversified bonds index (hedged in AUD), after fees and tax.

Risk: A negative return is expected between 1 and 2 times in any 20 years.

Low to Medium

Asset	Asset allocation ranges (%)	Asset allocation as at 31 March 2019 (%)[4]
Cash	0 – 10	-
Fixed interest	90 – 100	100

Investment returns at 31 March 2019[5,6]	Accumulation	Income
1 year	4.23%	4.98%
5 year p.a.[7]	3.72%	4.32%
10 year p.a.[7]	6.11%	6.57%

Investment fee and costs[8]	
Investment base	0.16% p.a.
Performance-based	0.00% p.a.
Total investment fee	**0.16% p.a.**
Indirect cost ratio	**0.20% p.a.**

1 Lifetime is only available in the Accumulation account.
2 Self Invest is not available in the Transition to Retirement Income account.
3 The Bloomberg AusBond Bank Bill Index is constructed as a benchmark to represent the performance of a passively managed short-term money market portfolio. It comprises a series of bank bills of equal face value, each with a maturity seven days apart.
4 Percentages are subject to rounding.
5 Past performance isn't a reliable indicator of future performance.
6 Return net of administration fees, investment fees and costs and taxes.
7 Compound annualised return, net of administration fees, investment fees and costs and taxes.
8 The investment fee figure and indirect cost ratio are based on the fees and costs for the financial year ended 30 June 2019, and this may differ from future fees and costs. In addition, the administration fee of 0.16% p.a. and other applicable fees are deducted daily from the unit price before the unit price is declared.
9 This option is managed externally through QIC Limited and is generally fully invested in a single asset class, however to accommodate market changes and transaction timings, it may be appropriate to hold up to 10% in cash.

International Shares

If you are a long-term investor and want exposure to assets that will potentially give you higher returns, the International Shares option may be suitable for you. You need to be prepared to accept that this option could experience negative returns over the short to medium term.

Investment timeframe: More than 10 years.

Objective: To match the return of the MSCI World Developed Markets ex-Australia net dividends reinvested accumulation index,[1] hedged after fees and tax.

Risk: A negative annual return is expected greater than 6 times in any 20 years.

Very high

Asset	Asset allocation ranges[2] (%)	Asset allocation as at 31 March 2019 (%)[3]
Cash	0 – 10	1.1
International shares	90 – 100	98.9

Investment returns at 31 March 2019[4,5]	Accumulation	Income
1 year	6.69%	7.34%
5 year p.a.[6]	9.19%	9.57%
10 year p.a.[6]	12.26%	14.14%

Investment fee and costs[7]	
Investment base	0.07% p.a.
Performance-based	0.00% p.a.
Total investment fee	**0.07% p.a.**
Indirect cost ratio	**0.01% p.a.**

Australian Shares

If you are a long-term investor and want exposure to assets that will potentially give you higher returns, the Australian Shares option may be suitable for you. You need to be prepared to accept that this option could experience negative returns over the short to medium term.

Investment timeframe: More than 10 years.

Objective: To match the return of the S&P/ASX 200 Accumulation Index,[8] after fees and tax.

Risk: A negative annual return is expected greater than 6 times in any 20 years.

Very high

Asset	Asset allocation ranges[2] (%)	Asset allocation as at 31 March 2019 (%)[3]
Cash	0 – 10	0.5
Australian shares	90 – 100	99.5

Investment returns at 31 March 2019[4,5]	Accumulation	Income
1 year	9.89%	11.49%
5 year p.a.[6]	8.03%	8.68%
10 year p.a.[6]	10.23%	11.26%

Investment fee and costs[7]	
Investment base	0.07% p.a.
Performance-based	0.00% p.a.
Total investment fee	**0.07% p.a.**
Indirect cost ratio	**0.01% p.a.**

1 An index designed to measure the equity market performance of 22 developed market country indices. This index is a market capitalisation weighted index.
2 This option is generally fully invested in a single asset class, however to accommodate market changes and transaction timings, it may be appropriate to hold up to 10% in cash.
3 Percentages are subject to rounding.
4 Past performance isn't a reliable indicator of future performance.
5 Return net of administration fees, investment fees and costs and taxes.
6 Compound annualised return, net of administration fees, investment fees and costs and taxes.
7 The investment fee figure and indirect cost ratio are based on the fees and costs for the financial year ended 30 June 2019 and may differ from future fees and costs. In addition, the administration fee of 0.16% p.a. and other applicable fees are deducted daily from the unit price before the unit price is declared.
8 The S&P/ASX 200 represents Australia's 200 largest companies listed on the Australian Securities Exchange, selected on the basis of their market capitalisation and liquidity.

Self Invest

If you have an Accumulation account or a Retirement Income account and would like to diversify your investment portfolio, lock in a fixed rate on a term deposit or own shares in a particular company, you may wish to consider Self Invest.

Self Invest allows you to tailor your own investment strategy by combining direct Australian shares, ETFs, term deposits and cash with QSuper's other investment options.

It is an entirely online option that is easy to use, and offers many of the advantages of a self managed super fund, but with greater convenience and less hassle.

As this option does not have an investment strategy, asset allocation or return objective set by the QSuper Board, your performance in this option will depend on your management skill, the investments you choose and the decisions you make. Timeframes, objectives and risk are unique to you, as are the returns, as they are individual to each member. Self Invest is not available to members with a Transition to Retirement Income account.

What QSuper Self Invest offers you

Control, flexibility and choice

Buy and sell Australian shares and exchange traded funds (ETFs) online and in real time, or choose from a range of term deposits from some of Australia's best known banks.

Convenience

Online access at a time and place that suits you.

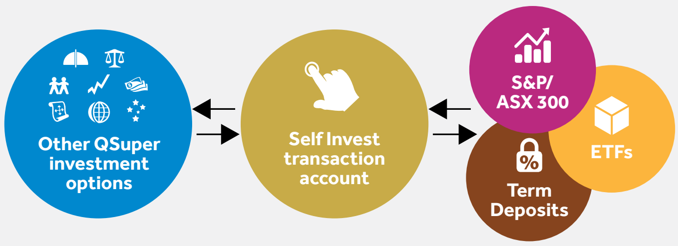
Investment tools and research

Access to up-to-date market research and data, including watchlists and customised trading alerts, to help you make informed investment decisions.

Self Invest – control your super with confidence

How Self Invest works

When you decide to move money to Self Invest, we will create a transaction account for you. A transaction account is designed to hold your funds as you buy and sell term deposits, shares and ETFs, as shown in the diagram to the right. The transaction account is also where your investment returns will be applied, and from where we will deduct fees. Money that is in the account will earn an interest rate and we will allocate returns to your account every month. To view this interest rate, go to **qsuper.qld.gov.au/selfinvest** and click on "Transaction account".



Term deposits

Term deposits provide more certainty in the rate of return you will receive by offering a fixed rate. You can choose an investment term ranging from 30 days to 365 days. Term deposits cannot be broken, except in special circumstances – see the *Self Invest Guide* for more information. Orders can be placed or amended for a term deposit any day, with the cut-off time for processing the next working day being 3.59pm Sydney time. Our term deposit providers are listed on the Self Invest investment menu available at **qsuper.qld.gov.au/SelfInvest**

Investment timeframe: Less than 1 year. Available terms range from 30 days to 365 days.

Objective: To provide fixed rates of return for fixed terms.

Risk:[1] This is low risk as the rate and return are fixed.

Australian shares (S&P/ASX 300)

Choose to invest in the top 300 Australian shares (by market capitalisation and liquidity). You can place an order at any time that's convenient to you, however orders are only actioned from 10.10am to 4.00pm Sydney time.

Investment timeframe: More than 10 years.

Objective: To generate returns through increased share prices and/or dividend payments.

Risk:[1] The Australian share market is a high risk investment. Just remember that by investing in just a single or small number of companies, you increase your risk further.

Exchange traded funds (ETFs)

ETFs offer a way to invest in a portfolio of investments, are similar to managed funds and can be traded like shares on the Australian Securities Exchange. You can place an order at any time that is convenient to you, however orders are only actioned from 10.10am to 4.00pm Sydney time. We offer a variety of ETFs as listed on our website on **qsuper.qld.gov.au/selfinvest**

Objective: To duplicate as closely as possible (before expenses) the return of an index of securities that the ETF is replicating, such as listed property or bonds.

Risk:[1] As an asset class, ETFs are considered to be a high risk investment. However individual ETFs can carry a lower investment risk, such as one that invests in a diverse range of bonds.

1 An SRM can't be produced for this option. We have instead used the closest related investment risk profile, based on highest risk asset class behaviours for ETFs available through Self Invest.

Self Invest at a glance

	Accumulation account	Retirement Income account
Account balance eligibility[1]	$20,000	$20,000
Minimum initial transfer to the Self Invest transaction account	$5,000	$5,000
Minimum amount you must keep in the other QSuper investment options	$10,000	13 months of your current Retirement Income account payment.

Investment limits	
Term deposits	Single term deposit – $5,000 to $5 million
Shares S&P/ASX 300 and ETFs	Maximum share and ETF exposure – 85% of your QSuper Accumulation or Retirement Income account balance. Maximum single share exposure – 25% of your QSuper Accumulation or Retirement Income account balance in a single share. Maximum single ETF exposure – please refer to the Self Invest investment menu available at **qsuper.qld.gov.au/selfinvest** Minimum buy order – $1,500. Maximum individual trade amount – $250,000 (buying or selling).

Fees	
Administration fee	0.16% p.a.[2] This fee is calculated (based on your total Self Invest balance) daily and deducted from your Self Invest transaction account monthly.
Investment fee	
Access fee	$299 p.a. calculated daily and deducted monthly.
Cash management fee	0.40% p.a. of transaction account balance. This is not charged directly to your transaction account, but is deducted before interest is credited to your transaction account.

Other fees and costs	Amount	How and when paid
Activity fee		
Brokerage fee	**Order value**	**Fee per trade**[3,4]
(Applicable to ETFs and shares only)	up to $10,000	$29.50
	$10,001 – $27,500	$46.50
	$27,501 +	$46.50 plus 0.11% on amount over $27,500
Indirect costs		
Term deposits	Nil.	
Shares	Nil.	
ETFs	0.03% – 0.59%.	This is the ETF management fee range. The fee is deducted from the ETF by the ETF manager before the return is declared. For details of the ETF management fee which applies to each ETF, please refer to the Self Invest investment menu available at **qsuper.qld.gov.au/selfinvest**
Indirect cost ratio	Not applicable	

Research and tools to support your decision making

Through Self Invest, we give you access to a wealth of investment tools and research. This includes up-to-date market research and data, including watch lists and charting, to help you make informed investment decisions.

1 This minimum account balance requirement only applies at the time you make your first transfer into Self Invest.
2 An annual cap applies to the administration fee, please see the *Accumulation Account Guide* or *Income Account Guide* for more information.
3 Where an order requires more than one trade to be filled (including where it takes more than one day to fill an order) only one brokerage fee will apply per day.
4 These rates exclude GST. GST is applied to the brokerage fee and you will be entitled to a credit of 75% of any GST paid.

Understanding your investments in detail

Sustainable Investment policy

Sustainable Investment considers environmental, social and governance (ESG) factors (both risks and opportunities) that can influence QSuper meeting its long-term investment objectives. The QSuper Board considers ESG within a framework focused on providing competitive returns for our members. QSuper's Sustainable Investment policy framework is multi-faceted and seeks to address and manage these factors in part through stewardship activity including voting and engagement, and by offering the Socially Responsible investment option.

QSuper does not directly own shares in companies involved in manufacturing cigarettes and other tobacco products (Global Industry Classification Code 302030), cluster munitions or landmines.

Accordingly, this applies to the following options:

- Lifetime
- Moderate
- Balanced
- Aggressive
- Australian Shares
- International Shares

It has no application within the Cash and Diversified Bonds options. Additionally, Self Invest is a member directed investment option, so all investment decisions, including socially responsible investment decisions, are up to you.

Unit prices

The QSuper Accumulation and Income accounts are unitised. This means when you invest in a QSuper option (with the exception of Self Invest), you buy a number of units. Each option has a unit price, so the number of units you buy is calculated by the dollar value of your investment divided by the unit price. For example, if the unit price for the Balanced option is $1, and you invest $100, you buy 100 units in the Balanced option.

The balance of your account is therefore calculated by multiplying the number of units you hold in an investment option by the unit price of the investment option in which you are invested. The value of these units change on a daily basis, so as their value goes up and down, so does the value of your investment.

When you make a withdrawal, you sell a number of units in an investment option. The number of units you sell is equal to the dollar amount you want to withdraw divided by the unit price of the investment option on the day the payment is made.

The unit price for each investment option is calculated daily (Monday to Friday excluding Brisbane public holidays) and is net of applicable fees and taxes. These unit prices reflect the value of the portfolio's underlying assets at the close of business two working days earlier. This provides time to collate data from international markets, so it can be incorporated into these valuations.

We reserve the right to temporarily suspend unit prices at any time if there is extreme market volatility or if circumstances outside of our control mean we can't calculate a unit price. If we do need to suspend a unit price for any or all of our options, we may stop processing transactions until a unit price is available. If we do need to suspend unit prices, we will let you know via our website – **qsuper.qld.gov.au**

How investment returns are calculated

It depends on the change in the unit price. If the unit price was 1.0100, and then three months later the unit price was 1.0467, the return over this period would be calculated as:

$$\frac{1.0467 - 1.0100}{1.0100} \times 100 = \mathbf{3.63\%}$$

A note about Self Invest

This unit price information does not apply to any funds you have invested in Self Invest. When you make a transfer to Self Invest, you sell a number of units in the investment option/s you transfer the funds from, and this dollar value is transferred to your Self Invest transaction account. Your Self Invest balance is calculated by adding together your transaction account balance, and the dollar value of your term deposit, share and ETF investments on a given day. Fees are deducted directly from your transaction account. When you transfer money back to QSuper's other investment options, you purchase a number of units in that investment option/s. You have the ability to transfer your assets across to a Retirement Income account without having to pay capital gains tax and therefore any money you have invested in Self Invest is not eligible for the Retirement Income account transfer bonus.

Tax in Self Invest

Self Invest is very different to our other options, so there is some additional tax information you need to know. Tax on your returns in an Accumulation account – whether it is on interest paid, dividends or distributions – is still generally 15% (10% for some capital gains) and is deducted at the time the payment is made. If you have a Retirement Income account, you do not pay any tax on your returns (and you also receive the benefits of any franking credits from dividends associated with those returns).

Other things to consider are:

- Any capital gains can be reduced or even eliminated altogether by any capital losses you have previously incurred, and carried forward in your Self Invest option.
- Any franking credits received by QSuper are attributed to your account at the time you receive your dividend.[1]
- If you have an Accumulation account and transfer out of Self Invest, or you use funds from Self Invest to open a Retirement Income account, you will receive 10% of any unused realised capital losses.
- As you don't have to sell assets if you open a Retirement Income account and want to keep your money in Self Invest, you will not have capital gains tax applied to your account when you transfer the funds across.

Overall, with Self Invest you can clearly see how the Fund's taxation is attributed to your account, so you can better understand your position. You also have access to comprehensive tax reporting and transaction histories.

For more information about tax in Self Invest, download the *Self Invest Guide* from our website at **qsuper.qld.gov.au/guides**

Foreign currency hedging

When you invest overseas, changes in the value of the Australian dollar compared to the other currency can affect short-term returns on your investments, both positively and negatively. Changing currency exposure may minimise these short-term gains and losses, and as a result the returns you get primarily reflect the performance of your investment.

The following QSuper investment options have overseas investments that contain some exposure to foreign currency (they are therefore partially hedged):

- Lifetime
- Moderate
- Balanced
- Aggressive
- Socially Responsible
- Diversified Bonds

The following QSuper investment option has overseas investments but has been fully hedged, so it is not exposed to foreign currency:

- International Shares

In addition to hedging, QSuper may also hold foreign currency positions not directly related to specific foreign assets, with the intention of improving the risk and/or return characteristics of the portfolio.

If you want more control over how much of your portfolio is exposed to foreign currency, Self Invest offers you access to both hedged and unhedged exchange traded funds.

Tax on investment returns

If you have an Accumulation or Transition to Retirement Income account, your returns are generally taxed at 15% (although some capital gains included in the returns may be taxed at an effective rate of 10%). If you have a Retirement Income account, your returns are tax free. You also get the benefits of certain tax offsets.

The QSuper Board estimates the rate of taxation for each of your investment options (except Self Invest, which we cover opposite), which are adjusted every quarter (where applicable). This is called tax provisioning.

1 Please note any franking credits relating to ETF distributions and certain trusts or stapled securities will not be credited to your account until approximately six months after the end of the financial year.

Important information about the indices referenced in this Investment Choice Guide

Bloomberg AusBond Bank Bill Index – page 16

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MSCI World Developed Markets ex-Australia net dividends reinvested accumulation index – page 17

Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, QSuper Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creation or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

S&P/ASX 200 Accumulation Index – pages 1 and 17-19

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Awarded Highest Quality Fund rating on 14 December 2018. The Chant West ratings logo is a trademark of Chant West Pty Limited and used under licence. It is only current at the date awarded by Chant West. The rating and associated material is only intended for use by Australian residents within the jurisdiction of Australia and is not permitted to be considered or used by a party outside of Australia. Chant West does not issue, sell, guarantee, or underwrite this product. For further information about the methodology used by Chant West, see chantwest.com.au. Chant West has given and has not withdrawn its written consent to the inclusion in this *Investment Choice Guide* of the references to Chant West and the inclusion of the ratings logo or rating in the form and context in which they are included. Past performance is not a reliable indicator of future performance. Awards and ratings are only one factor when deciding how to invest your super.

Awarded Pension Fund of the Year at the 2019 SuperRatings Awards. SuperRatings does not issue, sell, guarantee or underwrite this product. Go to superratings.com.au for details of its ratings criteria. Past performance is not a reliable indicator of future performance. Ratings, awards or investment returns are only one factor that you should consider when deciding how to invest your super.

Awarded Pension Fund of the Year 2019. The Conexus Financial Superannuation Awards are determined on a range of criteria set and applied by an independent expect selection committee. Awards were issued 28 February 2019, and are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities, or make any other investment decisions. Ratings are subject to change. Ratings, awards or investment returns are only one factor that you should consider when deciding how to invest your super.

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