



MEDIA RELEASE

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17 July 2019

UNIQUE INVESTMENT STRATEGIES SUPERCHARGE QUEENSLAND

MEMBERS of one of Queensland's largest superannuation funds invested in the Accumulation account Balanced option are tens of thousands of dollars better off over a decade because of QSuper investment strategies.

The performance of QSuper – the state's largest and nation's second largest holder of superannuation assets – has been recognised in performance tables just published by a leading research agency.

The agency, Chant West, rates QSuper's Accumulation account Balanced option equal top performing super fund over one year and fourth over 10 years for the growth category.

QSuper has been open to the public since 2017 after more than a century managing state public servants' superannuation. It has 580,000 members, most of them in Queensland.

The figures released by ChantWest show QSuper's Accumulation account balanced option has returned an average 9.5% per year for its members over the decade since the Global Financial Crisis and 9.9% this year. This is 0.7% a year better over 10 years than Chant West's calculation of the median level of performance of growth funds across the superannuation sector.

QSuper's analysis of this investment return shows the difference its approach has made to some typical members . The examples include:

- A 50-year-old public sector nurse on an average salary who achieved award rises over the past decade is \$22,269.45 better off than if their superannuation had been invested in a median growth investment option which achieved the returns of 8.8% over a decade;
- A 50-year-old police sergeant on average salary who achieved award rises over the past decade is \$25,552.05 better off on the same measures, and;
- A 50-year-old public sector teacher on average salary who achieved award rises over the past decade is \$22,280.91 better off.

QSuper has 580,000 members, most of them either in or with alignment to the Queensland public sector. Of those, 102,000 work in the education sector, another 97,000 in health and 17,000 in the police service.

QSuper Head of Investment Strategy, Mr Damian Lillicrap, said QSuper's great relative outcomes reflected contributions from a range of different asset classes.

"Most funds' balanced options are more concentrated into equities than QSuper's, and after the lows of the GFC it has been a great decade for equities, so most funds have done well.

"QSuper has done better due in part to a range of assets that it has invested into that a mum and dad investor simply can't access themselves. QSuper has had great returns from direct infrastructure, direct property and private equity, that people simply can't directly access if they are trying to manage their super themselves via an SMSF.

“High returns are often associated with higher risk but via lowering equity weights and having a more diversified approach QSuper Balanced members have experienced considerably less risk than other high returning funds. As such members have experienced the best of both worlds, great returns and lower risk, the result of fabulous execution of a diversified investment approach that was put in place in 2011.

QSuper is the default fund for Queensland public sector employees, meaning their superannuation payments are paid to accounts held in trust unless they opt for a different superannuation fund.

The calculations of the benefits Queensland public servants have gained from QSuper’s superior investment performance in the Accumulation balance option are based on QSuper’s financial modelling of an employee with a balance of \$100,000 10 years ago.

They assume annual pay rises of 3% and standard state public service superannuation contributions but no promotions.

Teachers, nurses and most other public servants receive a superannuation contribution equal to 12.75% of salary and contribute another 5%. Police officers receive employer contributions of 18% which they add another 6% to.

On this modelling, a teacher aged 50 would have a superannuation balance of \$403,488.91, a nurse \$403,097 and a police sergeant \$515,123.09.

These are case studies provided for illustrative purposes only. Past performance is not a reliable indicator of future performance.

This is based on data sourced using the 10-year annual performance numbers (financial year) for the last 10 years published by Chant West for each fund. Assumed starting balance of \$100,000 invested in the accumulation balance option. Using a salary of \$70,871 for teacher, \$70,702 for nurse, \$88,077 for Police Sargent, then using a 3% salary indexation to decrease the salaries to 10 years ago. Contribution rates of 17.75% for teacher and nurse and 24% for Police Sergeant. Contributions received annually at the end of the year and increased in line with the award rises. Assumes no withdrawals, no switching and no insurance premiums. The QSuper returns are being compared to the medium result each year for 10 years as published by Chant West. The Chant West data is based on information provided by third parties that is believed to be accurate at 30 June 2019. Based on the returns of investment options larger than \$500 million in Chant West’s Growth universe over the period to 30 June 2019 with returns reflected after investment fees and tax but before administration. 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. Members should seek advice from a qualified licensed professional, regarding their own circumstances.

About QSuper

QSuper is one of Australia’s largest superannuation funds, with more than \$70 billion in funds under management. From humble beginnings over a century ago, today we manage the retirement savings of more than 580,000 members.

For further information and media enquiries:

David Fagan / QSuper / 07- 3029 9374 / 0418 429 866