

# Member Outcomes Assessment – for QSuper products

For the financial year ended 30 June 2024

[art.com.au](http://art.com.au)  
[qsuper.qld.gov.au](http://qsuper.qld.gov.au)

The logo consists of a stylized blue 'Q' followed by the word 'Super' in a blue sans-serif font.  
Part of Australian Retirement Trust

# When to read this document

## Read this document if you have, or are thinking about opening, a:

- **QSuper Accumulation account**
- **QSuper Income account**  
When we say QSuper Income account in this document, we're talking about the QSuper Retirement Income account and the QSuper Transition to Retirement Income account, unless we say otherwise.
- **Lifetime Pension**

## This document isn't relevant for members with:

- **Defined Benefit products (including Super Savings Corporate Lifetime Pensions)** – Member Outcomes Assessments aren't required for Defined Benefit products.
- **Super Savings accounts** – you can find information on these products in the Super Savings Member Outcomes Assessment at [art.com.au/member-outcomes-assessment](https://art.com.au/member-outcomes-assessment)

# What it will tell you

By law, superannuation funds must assess their products across key areas each year. We have prepared this document to summarise those product assessments for you.

## Part 1 – Comparing our performance with peers and benchmarks on:

- MySuper investment risk and returns (we call this QSuper Lifetime)
- Choice investment risk and returns (this covers all our other investment options for QSuper products)
- Fees and costs.

## Part 2 – Assessing our:

- Investment strategy
- Fees
- Options, benefits and services
- Operating costs and scale
- Insurance strategy and affordability.

See Appendix 1 for peer groups and data sources.

This document and all QSuper products are issued by Australian Retirement Trust Pty Ltd (ABN 88 010 720 840) (Trustee) as trustee for Australian Retirement Trust (ABN 60 905 115 063) (Fund, ART). Any reference to 'we', 'us', or 'our' in this document is a reference to the Trustee.

# How to find out how your money is invested

This document covers results up to 30 June 2024 and we've made changes to the suite of investment options that you can choose since then. You can find out more about these changes at [qsuper.qld.gov.au/sen](https://qsuper.qld.gov.au/sen). Otherwise, you can check how your money was invested at 30 June 2024 by checking your Annual Statement through Member Online at [qsuper.qld.gov.au/login](https://qsuper.qld.gov.au/login).



# Determination summary

## Our products promote the financial interests of members

### Our QSuper Accumulation account promotes the financial interests of members across both MySuper and Choice options

In making this determination, the Trustee has determined:

- The fees, risk and return of the QSuper Accumulation account compare well to peers and regulatory benchmarks for both the MySuper and Choice investment options.
- The investment strategy, including the level of investment risk and return target, is appropriate.
- How we set fees is appropriate.
- We offer appropriate options, benefits and facilities.
- Operating costs aren't inappropriately affecting financial interests.
- The scale of our business operations isn't causing disadvantage.
- The insurance strategy is appropriate and doesn't inappropriately erode retirement income.

### Our QSuper Income account promotes the financial interests of members

In making this determination, the Trustee has determined:

- The fees, risk and return of the QSuper Income account compare well to peers and regulatory benchmarks.
- The investment strategy, including the level of investment risk and return target, is appropriate.
- How we set fees is appropriate.
- We offer appropriate options, benefits, and facilities.
- Operating costs aren't inappropriately affecting financial interests.
- The scale of our business operations isn't causing disadvantage.

### Our Lifetime Pension account promotes the financial interests of members

In making this determination, the Trustee has determined:

- The investment strategy, including the level of investment risk and return target, is appropriate.
- How we set fees is appropriate.
- We offer appropriate options, benefits, and facilities.
- Operating costs aren't inappropriately affecting financial interests.
- The scale of our business operations isn't causing disadvantage.



# Part 1

## Comparing our performance with peers and benchmarks on:

- MySuper investment risk and returns (QSuper Lifetime)
- Choice investment risk and returns
- Fees and costs

## Introduction and context

### Investment markets were strong in the 2024 financial year

Global share markets enjoyed another year of strong returns, with shares in the US and Japan outperforming those in Europe, the UK and here in Australia. After disappointing returns in previous years, Australian and global bond markets produced positive returns as inflation rates fell, and the world's major central banks signalled official interest rates were unlikely to rise further.

It's important to remember that superannuation is the longest-term investment most people will ever have and while investment returns can be very volatile in the short-term, it's long-term returns that really matter. Those investment options with more exposure to shares rather than bonds tended to outperform over the financial year.

## MySuper investment risk and returns (QSuper Lifetime)

We invest a member's super in QSuper Lifetime when they don't make a choice about how they want their money invested. We designed QSuper Lifetime to automatically adjust a member's investment strategy based on their age and QSuper Lifetime account balance. We've shown returns for each lifetime group in the tables below to compare our returns to benchmarks and peers. But each individual member's return is likely to be different because of how we transition members through the stages as well as the timing of individual transactions.

Around 65% of funds under management (FUM) in QSuper Accumulation accounts is invested in QSuper Lifetime. The majority of FUM in QSuper Lifetime is invested in Outlook and Aspire 2 lifecycle cohorts.

### Comparing returns to benchmarks

#### QSuper Lifetime has performed well against the performance test

Each year, the Australian Prudential Regulation Authority (APRA) compares longer-term MySuper net investment returns and administration fees to relevant benchmarks in its performance test. APRA combines the returns and fees benchmark comparisons to determine which options pass the performance test.

**QSuper Lifetime passed the 30 June 2024 performance test and achieved a 10 year net investment return of 0.52% per annum more than the return benchmark.<sup>1</sup>**

<sup>1</sup> Return above benchmark is the difference between the 10 year net investment return (on a per annum basis) and the Strategic Asset Allocation (SAA) Benchmark used by APRA. Past performance is not a reliable indicator of future performance.









## Comparing returns and risk to peers

### While QSuper Lifetime performed well against the performance test benchmark, it underperformed the peer median

QSuper Lifetime returns have underperformed the peer median over the last 5 years. This is because market conditions over that timeframe were unhelpful to certain lower risk (defensive) assets such as high duration bonds and commercial real estate.

The standard risk measures<sup>1</sup> for all QSuper Lifetime groups are lower than peer median, meaning we are estimating a lower number of negative annual returns over any 20-year period than peers.<sup>2</sup>

### QSuper Lifetime net returns as at 30 June 2024

Lifetime group	Growth Asset %	1 year		3 year		5 year		10 year	
		Return p.a. <sup>2,3</sup>	Peer median return p.a. <sup>2</sup>	Return p.a. <sup>2,3</sup>	Peer median return p.a. <sup>2</sup>	Return p.a. <sup>2,3</sup>	Peer median return p.a. <sup>2</sup>	Return p.a. <sup>2,3</sup>	Peer median return p.a. <sup>2</sup>
 Outlook	75% - 90%	7.1% ▼	10.8%	3.2% ▼	4.9%	4.9% ▼	6.5%	7.1% ▲	7.1%
 Aspire 1	75% - 90%	7.1% ▼	10.8%	3.3% ▼	4.9%	5.1% ▼	6.5%	7.3% ▲	7.1%
 Aspire 2	75% - 90%	6.2% ▼	10.8%	1.9% ▼	4.9%	3.9% ▼	6.5%	6.3% ▼	7.1%
 Focus 1	75% - 90%	6.4% ▼	10.8%	2.6% ▼	4.9%	4.4% ▼	6.5%	6.4% ▼	7.1%
 Focus 2	60% - 75%	6.0% ▼	8.8%	2.1% ▼	4.6%	3.9% ▼	5.7%	5.8% ▼	6.6%
 Focus 3	40% - 60%	5.5% ▼	7.2%	1.6% ▼	3.1%	3.2% ▼	3.7%	5.2% ▲	4.6%
 Sustain 1	40% - 60%	5.6% ▼	7.2%	2.5% ▼	3.1%	3.3% ▼	3.7%	4.5% ▼	4.6%
 Sustain 2	40% - 60%	5.2% ▼	7.2%	2.1% ▼	3.1%	2.5% ▼	3.7%	3.2% ▼	4.6%

Return at or above peer median ▲

Return below peer median ▼

### Changes from 1 July 2024

From 1 July 2024, we adjusted the level of risk taken in QSuper Lifetime. As a result of the changes, QSuper Lifetime is expected to have higher returns over the long term for members of all ages but could also have a higher risk of negative returns in any given year. Because super is a long-term investment, we believe this change is in the best financial interests of our MySuper members. You can find out more about these changes at

[qsuper.qld.gov.au/-/media/pdfs/qsuper-public/publications/product-update-super-may-2024.pdf](https://qsuper.qld.gov.au/-/media/pdfs/qsuper-public/publications/product-update-super-may-2024.pdf)

<sup>1</sup> For further details see [qsuper.qld.gov.au/investments/understanding](https://qsuper.qld.gov.au/investments/understanding) <sup>2</sup> See Appendix 1 for information on data sources and peer groups. <sup>3</sup> Returns quoted are net of administration fees, investment fees and costs, transaction costs and taxes. 3, 5 and 10 year returns quoted are compounded annualised returns. Returns quoted in Member Benefit Statements for the same period are based on unit prices that were effective as at 30 June 2024. For an explanation of the difference, please see [qsuper.qld.gov.au/investments/how-qsuper-invests/unit-prices](https://qsuper.qld.gov.au/investments/how-qsuper-invests/unit-prices). Past performance is not a reliable indicator of future performance.

# Choice investment risk and returns

Members wanting more choice over how their money is invested can choose from our range of diversified (multi-asset) and single asset class options.

Our other Choice investment options, Self Invest and QSuper Voluntary Preservation Plan (VPP), are closed to account holders not already invested in them. Members already using Self Invest can invest their super directly in shares, exchange-traded funds (ETFs), and/or term deposits. Investment returns for the VPP option are capital guaranteed by the Trustee (for a fee of 0.35% charged annually) to ensure that the investment return over a full financial year is not negative (excluding the capital guarantee fee). At 30 June 2024, the VPP option was invested the same way as our QSuper Moderate (Accumulation) option.

The majority of the FUM for QSuper Choice investment options and the pool for Lifetime Pension is invested in the Balanced option.

## Comparing returns to benchmarks


Each year, APRA also compares funds' longer-term Choice net investment returns and administration fees to relevant benchmarks in its 30 June 2024 performance test. APRA combines the returns and fees benchmark comparisons to determine which options pass the performance test.

APRA determines which choice investment options are included in the performance test based on specific criteria, including where the trustee has oversight over the investment strategy and any external investment managers appointed. Because we closed some of our investment options on 1 July 2024, only our QSuper Balanced and QSuper VPP were included in the 30 June 2024 performance test. Only Accumulation account and Transition to Retirement Income account options are tested. Retirement Income account options aren't included in the test.

### QSuper Balanced and VPP performed well against the Performance Test with both passing

The 10 year returns for QSuper Balanced and QSuper VPP were higher than their relevant benchmark as at 30 June 2024.

## Choice returns comparison to performance test benchmark as at 30 June 2024

Investment option	Return above / (below) benchmark p.a. <sup>1</sup>
 QSuper Balanced	0.60% ▲
QSuper VPP	0.13% ▲

Above benchmark ▲

Below benchmark ▼

<sup>1</sup> Return above / (below) benchmark is the difference between the 10 year net investment return (on a per annum basis) and the Strategic Asset Allocation (SAA) Benchmark used by APRA. Transition to Retirement income account returns and benchmarks are consistent with Accumulation returns and benchmarks. Past performance is not a reliable indicator of future performance.

## Comparing returns to peers

### Long-run risk-adjusted returns for most of our diversified investment options compare well to peers





We use risk-adjusted returns to assess our diversified investment options to recognise the way we diversify equity risk in these options.

Risk-adjusted returns for our diversified investment options, except for Socially Responsible, are above the median risk adjusted return for options taking a similar level of risk over 10 years. This means over the long-run returns have been higher than peer funds that have a similar level of investment risk.

#### Tip for understanding risk-adjusted returns

A common way to understand the return of an investment in relation to its risk (risk-adjusted return) is to use the Sharpe Ratio. The greater the value of the Sharpe ratio, the more attractive the risk-adjusted return.

### Diversified options Risk Adjusted Returns (Sharpe Ratio) as at 30 June 2024

		1 year		3 years		5 years		10 years	
Investment options	Account type <sup>1</sup>	Sharpe Ratio <sup>2</sup>	Peer median Sharpe Ratio <sup>2</sup>	Sharpe Ratio <sup>2</sup>	Peer median Sharpe Ratio <sup>2</sup>	Sharpe Ratio <sup>2</sup>	Peer median Sharpe Ratio <sup>2</sup>	Sharpe Ratio <sup>2</sup>	Peer median Sharpe Ratio <sup>2</sup>
Diversified									
 Balanced	Accumulation	0.3 ▼	0.9	0.1 ▼	0.4	0.5 ▼	0.6	1.0 ▲	0.9
	Retirement Income	0.3 ▼	0.9	0.2 ▼	0.4	0.5 ▼	0.6	1.0 ▲	0.9
Closed from 1 July 2024									
 Moderate	Accumulation	0.2 ▼	0.5	0.0 ▼	0.1	0.4 ▼	0.5	0.9 ▲	0.9
	Retirement Income	0.1 ▼	0.5	0.0 ▼	0.1	0.4 ▼	0.4	0.9 ▲	0.9
 Socially Responsible	Accumulation	0.4 ▼	0.9	-0.4 ▼	0.4	0.1 ▼	0.6	0.5 ▼	0.9
	Retirement Income	0.4 ▼	0.9	-0.4 ▼	0.4	0.1 ▼	0.6	0.4 ▼	0.9
 Aggressive	Accumulation	0.5 ▼	1.1	0.1 ▼	0.5	0.5 ▼	0.6	0.9 ▲	0.8
	Retirement Income	0.5 ▼	1.0	0.2 ▼	0.4	0.5 ▼	0.7	1.0 ▲	0.9

Sharpe Ratio at or above peer median ▲





Sharpe Ratio below peer median ▼

<sup>1</sup> Transition to Retirement Income account returns are consistent with Accumulation returns. <sup>2</sup> See Appendix 1 for information on data sources and peer groups. Returns are calculated net of investment fees and costs, transaction costs, tax and asset-based administration fees. Dollar based administration fees and transaction based fees such as contribution fees and switching fees are excluded. Assessment of return relative to peer median is based on returns to 2 decimal places. Past performance is not a reliable indicator of future performance.

## Our single asset class investment option returns are close to peer median

Diversified Bonds has achieved peer comparable returns over the longer-term. Cash, International Shares and Australian Shares are passive investments aiming to capture the return of the relevant index in a cost-effective form.

### Single asset class options: Net investment returns as at 30 June 2024

Investment option	Account type <sup>1</sup>	1 year		3 years		5 years		10 years	
		Return p.a. <sup>2</sup>	Peer median return p.a. <sup>2</sup>	Return p.a. <sup>2</sup>	Peer median return p.a. <sup>2</sup>	Return p.a. <sup>2</sup>	Peer median return p.a. <sup>2</sup>	Return p.a. <sup>2</sup>	Peer median return p.a. <sup>2</sup>
 Cash	Accumulation	3.9% ▼	4.1%	2.1% ▼	2.3%	1.4% ▼	1.6%	1.6% ▼	1.7%
	Retirement Income	4.6% ▼	4.7%	2.5% ▼	2.6%	1.7% ▼	1.8%	1.8% ▼	2.0%
 Diversified Bonds	Accumulation	3.7% ▲	3.1%	-2.0% ▼	-1.8%	-0.1% ▲	-0.3%	1.8% ▼	1.8%
	Retirement Income	4.3% ▲	3.6%	-2.2% ▼	-2.0%	-0.1% ▲	-0.3%	2.1% ▲	2.1%
 International Shares	Accumulation	18.8% ▲	17.3%	6.6% ▼	6.9%	10.3% ▲	10.1%	9.6% ▼	10.1%
	Retirement Income	20.3% ▲	18.2%	6.9% ▼	7.2%	11.2% ▲	10.9%	10.2% ▼	11.0%
 Australian Shares	Accumulation	11.0% ▼	11.5%	6.0% ▼	6.6%	6.8% ▼	7.6%	8.0% ▼	8.1%
	Retirement Income	12.5% ▼	12.7%	7.2% ▲	7.1%	8.0% ▼	8.6%	9.0% ▼	9.3%

Return at or above peer median ▲

Return below peer median ▼

### Returns for Self Invest depend on the individual member's choices

With Self Invest, a member invests their super directly in shares, exchange-traded funds (ETFs), and/or term deposits so they choose their own investment mix. Because of this, we can't show return comparisons to peers. See the [QSuper Self Invest Guide](#) for more information.

### Returns for QSuper VPP option are impacted by the capital guarantee premium

QSuper VPP returns over 10 years were 3.9% p.a. QSuper VPP funds are invested in the QSuper Moderate option (Accumulation) which had a 10 year return of 4.1% p.a. In the 10 years to 30 June 2024, there was one year where the capital guarantee protected members' QSuper VPP balances from going down, in line with the Moderate options return.

### Changes from 1 July 2024

- 15 choice options were introduced – 14 of which are new.
- QSuper Balanced option has been renamed to 'Balanced Risk-Adjusted'.
- We closed our QSuper Aggressive, Moderate, Socially Responsible, International Shares, Australian Shares, Diversified Bonds and Cash investment options and switched members' money to one of the new options, taking into account the objective, risk level and asset allocation for the option(s).
- Assets supporting the VPP have changed so that they are invested in the Conservative option.

You can find out more about these changes at [qsuper.qld.gov.au/-/media/pdfs/qsuper-public/publications/product-update-super-may-2024.pdf](https://qsuper.qld.gov.au/-/media/pdfs/qsuper-public/publications/product-update-super-may-2024.pdf)

<sup>1</sup> Transition to Retirement Income account returns are consistent with Accumulation returns. <sup>2</sup> See Appendix 1 for information on data sources and peer groups. Returns are calculated net of investment fees and transaction costs, tax and asset-based administration fees. Dollar based administration fees and transaction based fees such as contribution fees and switching fees are excluded. Assessment of return relative to peer median is based on returns to 2 decimal places. Past performance is not a reliable indicator of future performance.



# Fees and costs

## We're focused on lower fees

We're focused on offering lower fees for our products and services, as we know the less members pay in fees on their super account the more savings they could have in retirement.

### Administration fees

Our administration fees for a QSuper account with a \$50,000 balance are below the benchmark used in the APRA performance test.

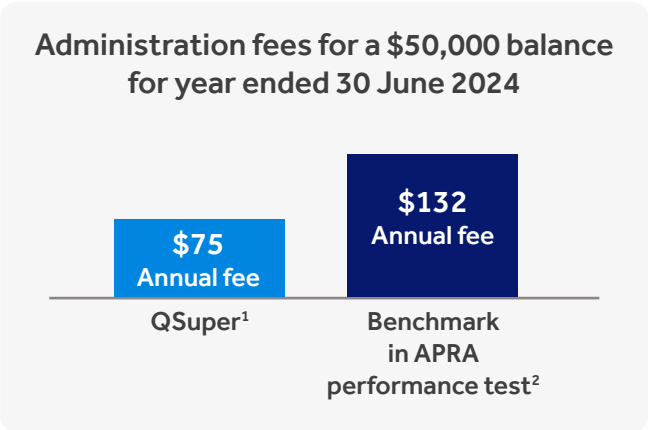
When administration costs are more than member administration fees collected in a financial year, these costs are met from our general reserve (not from members' account balances or investment returns). This amount was 0.07% for the year ended 30 June 2024.

### Total fees and costs









Total fees and costs include administration fees and costs, investment fees and costs and transaction costs for the year ended 30 June 2024.

The fees and costs charged may change year to year. Some costs are reflected in the unit prices and the calculation of net earnings.

Total fees and costs were below peer median for all lifetime groups in the QSuper Lifetime investment option for the year ended 30 June 2024.



## QSuper MySuper total fees and costs as at 30 June 2024 - account balance \$50,000










Lifetime group	QSuper total fees and costs p.a. <sup>3</sup>	Peer median total fees and costs p.a. <sup>3</sup>
 Outlook	\$260 ▲	\$453
 Aspire 1	\$263 ▲	\$453
 Aspire 2	\$236 ▲	\$453
 Focus 1	\$239 ▲	\$453
 Focus 2	\$223 ▲	\$455
 Focus 3	\$205 ▲	\$394
 Sustain 1	\$199 ▲	\$394
 Sustain 2	\$181 ▲	\$394

Fees and costs lower than peer median ▲

**1** Administration fees shown do not include 0.07% paid from our general reserve and is not adjusted for tax. Administration fees shown are for the year ended 30 June 2024 and have changed since. You can find out about our current fees at: [qsuper.qld.gov.au/our-products/our-fees](https://qsuper.qld.gov.au/our-products/our-fees) **2** APRA Benchmark Fee is the Benchmark Representative Administration Fees and Expenses (BRAFE) used in the Performance Test and sourced from APRA Comprehensive Product Performance Package – MySuper (30 June 2024). **3** See Appendix 1 for data sources and peer groups. MySuper total fees and costs and medians shown on this page don't include the 0.07% administration costs paid from our general reserve. But these costs are included in the Choice total fees presented on page 10. This is because of differing data sources which are explained in Appendix 1.

Total fees and costs were below peer median for all QSuper Choice options.

## QSuper Choice total fees and costs as at 30 June 2024 - account balance \$50,000

Investment options	QSuper total fees and costs p.a. <sup>1</sup>	Peer median total fees and costs p.a. <sup>1</sup>
Diversified		
 Moderate	\$240 ▲	\$427
 Balanced	\$305 ▲	\$541
 Socially Responsible	\$455 ▲	\$555
 Aggressive	\$305 ▲	\$532
Single asset class		
 Cash	\$140 ▲	\$188
 Diversified Bonds	\$290 ▲	\$300
 International Shares	\$155 ▲	\$255
 Australian Shares	\$150 ▲	\$225
Closed		
 Self Invest <sup>2</sup> (closed to new investors)	N/A	N/A
QSuper VPP (closed to new investors)	\$415	N/A <sup>3</sup>

Fees and costs lower than peer median ▲

Fees and costs higher than peer median ▼

## Self Invest

As Self Invest is set up differently to other QSuper investment options, the fees and costs are also different. The total fees and costs of managing the Self Invest account includes administration fees and costs, investment fees and costs, transaction costs for brokerage, and ETF management fees. It is common to charge these types of fees for a product like this.

Self Invest fees are designed to recover all vendor and internal product administration costs from the members who use this option. So we believe the fees are appropriate to the members using Self Invest.

## Changes from 1 July 2024

From 1 July 2024, we've:

- introduced a weekly administration fee,
- reduced the percentage administration fee, and
- reduced the maximum balance the percentage fee is charged on.

You can find out more about these changes at [qsuper.qld.gov.au/-/media/pdfs/qsuper-public/publications/product-update-super-may-2024.pdf](https://qsuper.qld.gov.au/-/media/pdfs/qsuper-public/publications/product-update-super-may-2024.pdf)

<sup>1</sup> See Appendix 1 for data sources and peer groups. Choice total fees and costs and peer medians shown are in line with Chant West reporting practices, so they include the 0.07% administration costs paid from our general reserve. <sup>2</sup> The total fees charged to a member in the Self Invest option will vary depending on the member's activity. So we aren't able to show total fees and costs or a comparable median for this option. <sup>3</sup> There are not many investment options with a capital guarantee like QSuper VPP so we aren't able to show a comparable median for this option.



## Part 2

### Assessing the appropriateness of:

- Investment strategy
- Options, benefits and services
- Fees
- Operating costs and scale
- Insurance strategy and affordability

## Our QSuper strategies, operations and services are sound

### 1. Investment strategy

#### How we invest your money

We build our portfolios based on a set of investment principles that work together to improve retirement outcomes for members over the medium to long term.

These principles include:

- Clear, effective decision-making by the right people at the right time
- Using both internal and external investment managers, to prioritise members' best financial interests
- Managing costs to not excessively erode returns
- Using benchmarks to make sure we're accountable for meeting objectives
- Striving to deliver superior risk-adjusted returns
- Staying attractive to members by achieving competitive returns against peers.

We assessed our investment strategy, level of investment risk and return target for each option as at 30 June 2024. We considered our performance against benchmarks as well as our performance against peers in determining that our investment strategy was appropriate for members with a QSuper account at 30 June 2024. Since then, we have adjusted the level of risk taken in the QSuper Lifetime because we believe these changes are in the best financial interests of our members. We have also simplified our Choice investment option menu. You can find out more about these changes at [qsuper.qld.gov.au/-/media/pdfs/qsuper-public/publications/product-update-super-may-2024.pdf](https://qsuper.qld.gov.au/-/media/pdfs/qsuper-public/publications/product-update-super-may-2024.pdf)

### 2. Options, benefits and services

#### Our members benefit from our options, benefits and services

Above 2.3 million members trust us to take care of over \$300 billion of their retirement savings. Our options, benefits and services are designed to help each member retire well with confidence.

In 2024, our QSuper products and services continued to be recognised by research and ratings agencies as good value and industry leading:<sup>1</sup>

- Super Ratings: Platinum Rating for our Accumulation and Income accounts
- Chant West: Best Fund – Longevity award
- Chant West: 5 apples award – Accumulation & Income account benchmarking rating
- Canstar: 5 star Innovation Excellence – Lifetime Pension.

Our members can access a comprehensive range of in-person, over-the-phone or online services including:

- Support and general advice via our Australian-based contact centre<sup>2</sup>
- Expert financial advice about their super account over the phone<sup>2</sup>
- Super and investment education via our seminars, webinars and podcasts
- 24/7 account access via Member Online or the member app
- Articles, calculators and tools on our website.

We've assessed the options, benefits and services offered and we believe they are appropriate for members with a QSuper account.

<sup>1</sup> Find out more at [qsuper.qld.gov.au/awards](https://qsuper.qld.gov.au/awards). Awards are current for 12 months or 24 months from when they are awarded and are subject to change. Ratings or awards are only one factor to think about when deciding to invest. This is general information only. It's not based on your personal objectives, financial situation or needs. So think about those things and read the relevant Product Disclosure Statement and Target Market Determination before you make any decision about our products. And if you're still not sure, talk with a financial adviser. Past performance is not a reliable indicator of future performance. <sup>2</sup> Learn more about your advice options on [qsuper.qld.gov.au/advice](https://qsuper.qld.gov.au/advice). Representatives of QInvest Limited (ABN 35 063 511 580, AFSL 238274) give financial advice. QInvest is responsible for the advice it gives and is a separate legal entity. Read the Financial Services Guide at [qsuper.qld.gov.au/guides](https://qsuper.qld.gov.au/guides) for more information.

### 3. Fees

#### We're focused on lower fees, so members can have more money for retirement

We're focused on offering lower fees for our products and services, as we know the less our members pay in fees on their super account the more savings they could have in retirement.

When setting fees for the membership we look at the membership profile, fund growth, operating cost and the fees charged by other funds. This means we can provide a low fee proposition. We don't charge switching fees and buy-sell spreads.

We have been able to maintain or lower our administration fees over the last 5 years because of our:

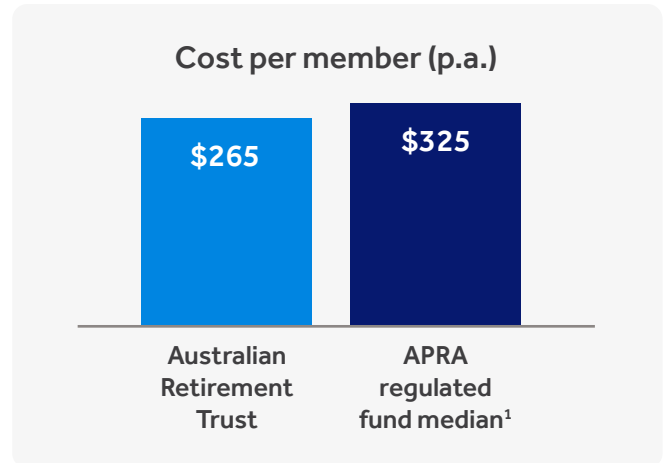
- Scale
- Strong net cash flows
- End-to-end service model
- Profit-for-member philosophy
- Ongoing investments we make in the business to drive greater efficiency gains.

We have assessed the way we set fees, and we believe it's appropriate for all our members.

### 4. Operating costs and scale

#### Operating costs are appropriate

We've assessed our operating costs using a combination of methods, including looking at the cost per member (CPM). CPM states the operating costs of the fund as a dollar value for each member account. Our CPM is below the median for APRA regulated funds.<sup>1</sup> Because our operating costs are low, they don't inappropriately affect the financial interests of our members.



#### Our size brings opportunities that benefit members

- Our scale and size mean we can invest in a broad range of local, national and global investment opportunities to help us grow members' super savings and maximise their retirement income.
- We attract, retain and develop a capable team.
- We have strong bargaining power, meaning better outcomes can be negotiated with suppliers.

## 5. QSuper insurance strategy and affordability

### Our QSuper insurance strategy is appropriate

We believe life insurance is important to bridge the gap between a member's account today and what is available to them on retirement or disability or to their beneficiaries if they die. We work in members' best financial interests to offer affordable and sustainable default insurance cover that won't inappropriately erode retirement benefits. We balance that with making sure we still give meaningful levels of cover.

Our insurance is designed to be flexible, so members can apply to change or cancel their cover or get occupationally rated. Some changes are subject to eligibility requirement or underwriting. We have assessed our insurance strategy and believe it is appropriate for members with a QSuper account.

### Our insurance principles

The following insurance principles guide us when designing our cover:

- **Members first** – our insurance is designed in our members' best financial interests, and is appropriate for the target market.
- **Affordable** – we balance the cost and the level of benefits, and the impact of premiums on retirement benefits.
- **Simple** – our insurance is easy for members to understand and consider.
- **Flexible** – members can change or cancel cover and easily transfer cover between products.<sup>1</sup>
- **Sustainable** – premiums should reflect the product design and claims paid to members.
- **Equitable** – premiums and levels of cross subsidisation are acceptable for the member cohorts.
- **Competitive positioning** – benefit design is value for members' money.
- **Service excellence** – we treat members, beneficiaries and representatives with empathy, respect and provide a high standard of service.

### We offer members affordable insurance cover

A key element of the insurance strategy for QSuper accounts is affordability. We review the cost of QSuper insurance for members regularly, taking into consideration product design and claims experiences. When testing affordability, our annual test considers:

- the contribution rates by QSuper employers which are generally higher than the Superannuation Guarantee rate,
- the product offer for the QSuper member demographics, and
- the QSuper claims experience.

We have determined that premiums are not inappropriately eroding members' retirement saving even though premiums are typically higher than the generally accepted industry benchmark of 1% of salary. From 1 July 2024 we have reduced the cost of premiums.

### Appropriate automatic cover for members<sup>2</sup>

We've designed QSuper insurance to meet the needs of eligible members with a QSuper Accumulation account. The default cover gives these members age-based levels of Death and Total and Permanent Disablement (TPD) cover. The value of units of cover gets bigger when members are likely to need it and then gets smaller as they age.

Where it is appropriate we give members default Income Protection (IP) cover with a holistic claims management focus on getting members healthy and working. We automatically charge most QSuper account holders the default premium rate, but a member can apply for a change to premiums by telling us the type of work they do. This is called 'occupation rating'. We give QSuper account holders who work for the Queensland emergency services automatic default insurance even if they are under age 25 or have less than \$6,000 in their QSuper Accumulation account. This is possible because the Trustee has made a determination that these members meet the Dangerous Occupations Exception which allows default cover to be provided to members under age 25 or with an account balance less than \$6,000. The exception applies to all employees of Queensland Fire and Emergency Services, Queensland Police Service and Queensland Ambulance Service.

<sup>1</sup> Subject to eligibility and underwriting. <sup>2</sup> Eligibility conditions and criteria apply for eligible QSuper Accumulation account members only. See QSuper Insurance Guide for details.



# Appendix 1

## Data sources and peer groups

### Part 1

In Part 1 of this assessment, we compare returns and fees for our QSuper Accumulation and Income account products to benchmarks and to peers. We've done these comparisons for each lifecycle stage in QSuper Lifetime (our MySuper option) and each Choice investment option for our QSuper products using the data sources and peer groups shown in the table below.

#### Part 1 data sources and peer groups

Classification	Grouping	Name of option / lifetime group	Comparison	Peer group	Data source
MySuper	Lifetime group	Outlook	Comparing returns to benchmarks	All MySuper options included in the data source	APRA Comprehensive Product Performance Package - MySuper (30 June 2024)
		Aspire 1 and 2			
		Focus 1, 2 and 3			
		Sustain 1 and 2			
			Comparing returns and Standard Risk Measure (SRM) <sup>1</sup> to peers	MySuper investment options and Lifecycle stages with a similar % of growth assets	APRA Statistics as collated by Chant West <sup>2</sup>
			Comparing total fees and costs to peers		APRA Statistics as collated by Chant West <sup>2</sup>

<sup>1</sup> To find out more, see [qsuper.qld.gov.au/srm](https://qsuper.qld.gov.au/srm) <sup>2</sup> Chant West's Member Outcomes Dashboard, data ending 30 June 2024. Zenith CW Pty Ltd ABN 20 639 121 403/AFSL 226872/AFS Rep No. 1280401. Third-party data does not contain all information required to evaluate the nominated service providers. To the extent that any Information provided is advice, it is limited to general advice only and has been prepared without considering the objectives or financial situation of any individual, including target markets where applicable. It is not a recommendation to purchase, sell or hold any product and is subject to change at any time without notice. Individuals should seek independent advice and consider the PDS or offer document before making any investment decisions. Data is provided in good faith and is believed to be accurate, however, no representation, warranty or undertaking is provided in relation to the accuracy or completeness of the data. Data is subject to copyright and may not be reproduced, modified or distributed without the consent of the copyright owner. Except for any liability which cannot be excluded, Chant West does not accept any liability whether direct or indirect, arising from use of the data. Past performance is not a reliable indicator of future performance. Refer to [chantwest.com.au](https://chantwest.com.au) for full details on Chant West's research methodology, processes and FSG.

## Part 1 data sources and peer groups continued

Classification	Grouping	Name of option / lifetime group	Comparison	Peer group	Data source		
Choice	Diversified	Balanced	Comparing returns to benchmarks	All Non-platform Choice options included in the data source	APRA Comprehensive Product Performance Package - Choice (30 June 2024)		
		Moderate					
		Socially Responsible (SR)	Comparing returns to peers	Diversified options with a similar % of growth assets	SuperRatings <sup>1</sup>		
		Aggressive					
			Comparing total fees and costs to peers		Total fees and costs - FY24 ART Annual Report Peer median - Chant West <sup>2</sup>		
	Single asset class	Cash	Comparing returns to performance objectives	Single asset class options within the same sector (e.g. Cash)	SuperRatings (Returns) <sup>4</sup>		
		Diversified Bonds					
		International Shares	Comparing total fees and costs to peers		Total fees and costs - FY24 ART Annual Report Peer median - Chant West <sup>2</sup>		
		Australian Shares					
	Closed to new investors	Self Invest	As Self Invest is set up differently to other QSuper investment options, we can't show returns fees and costs compared to peers or benchmarks. To find out more, go to the QSuper Self Invest Guide.				
		QSuper VPP	There are not many investment options with a capital guarantee like QSuper VPP so we aren't able to show a comparable median for this option. Returns and fee data is sourced from internal ART data.				

## Part 2

In Part 2 of this assessment, we've looked at whether additional services and the default insurance offering are affordable and appropriate for the members holding our QSuper products. We've only done this analysis once because we offer most of the same services for QSuper Accumulation and Income account holders.

<sup>1</sup> SuperRatings Fund Crediting Volatility and Risk Adjusted Return Survey - 30 June 2024 (Accumulation) and (Pension). SuperRatings does not issue, sell, guarantee, or underwrite Australian Retirement Trust products. Go to [superratings.com.au](https://superratings.com.au) for further details. Investments can go up and down. Past performance is not a reliable indicator of future performance. <sup>2</sup> Chant West's Member Outcomes Dashboard, data ending 30 June 2024. Zenith CW Pty Ltd ABN 20 639 121 403/AFSL 226872/AFS Rep No. 1280401. Third-party data does not contain all information required to evaluate the nominated service providers. To the extent that any information provided is advice, it is limited to general advice only and has been prepared without considering the objectives or financial situation of any individual, including target markets where applicable. It is not a recommendation to purchase, sell or hold any product and is subject to change at any time without notice. Individuals should seek independent advice and consider the PDS or offer document before making any investment decisions. Data is provided in good faith and is believed to be accurate, however, no representation, warranty or undertaking is provided in relation to the accuracy or completeness of the data. Data is subject to copyright and may not be reproduced, modified or distributed without the consent of the copyright owner. Except for any liability which cannot be excluded, Chant West does not accept any liability whether direct or indirect, arising from use of the data. Past performance is not a reliable indicator of future performance. Refer to [www.chantwest.com.au](https://www.chantwest.com.au) for full details on Chant West's research methodology, processes and FSG. <sup>3</sup> SuperRatings Fund Crediting Survey - 30 June 2024 (Accumulation) and (Pension). SuperRatings does not issue, sell, guarantee, or underwrite Australian Retirement Trust products. Go to [superratings.com.au](https://superratings.com.au) for further details. Investments can go up and down. Past performance is not a reliable indicator of future performance.



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