Important information from the QSuper Board

This notice is to inform members of important information from the QSuper Board about regulatory and product changes to the QSuper Accumulation and Income accounts.

Change to Aggressive investment option

We have adjusted our asset allocation ranges for the Aggressive investment option to allow more potential investment in infrastructure, while still targeting the same Aggressive investment objective. There has been no change to the option's Standard Risk Measure (SRM). The asset allocation range change is effective from 1 July 2018.

The asset allocation ranges for the Aggressive investment option as at 1 July 2018 are as follows:

	Until 30 June 2018 (%)	From 1 July 2018 (%)
Cash	0-15	0-15
Fixed interest	5-35	5-35
Real estate	0-20	0-20
Equities	25-55	25-55
Infrastructure	**0-20**	**0-25**
Commodities	0-15	0-15
Alternative assets	0-25	0-25

Changes to Self Invest

With the aim to give members more control over how they invest their super, we are making several changes to the Self Invest investment option for Accumulation and standard Income accounts.

1. **Reducing minimum balance required for Self Invest transaction account:** We are reducing the current minimum cash balance that must be held within the Self Invest transaction account from $2,000 to $500. This allows members the ability to invest a greater proportion of their Self Invest holdings into shares, ETFs, and term deposits, while retaining sufficient cash to meet administration fees. This change came into effect from 7 February 2018.
2. **Reducing minimum standard Income account balance required to be held outside of Self Invest:** Members will now only be required to keep 13 months of income payments outside of the Self Invest option, compared to 24 months previously. This allows members to invest more of their standard Income account in Self Invest, while ensuring that enough assets are held outside of Self Invest to meet the member's pension payments. This change came into effect from 7 February 2018.

3. **Changing the investment limit for broad market based ETFs:** From 7 February 2018, members are no longer restricted to an investment limit of 25% of their total account balance in a single broad market based ETF at the time of transaction (subject to other product rules). This change includes all the Australian share ETFs and all International share ETFs, with the exception of the Vanguard FTSE Emerging Markets Shares ETF, which is limited to a maximum of 50% of a member's total account balance.

   The 25% maximum exposure to any single security at the time of transaction will continue to apply to all individual shares as well as listed property, commodities, fixed income, and cash ETFs available on Self Invest. More detail and applicable exposure limits can be found at **qsuper.qld.gov.au/selfinvest-etfs** and **qsuper.qld.gov.au/selfinvest**

4. **Changing term deposit order cut-off times:** The cut-off time for placing (and cancelling) orders for term deposits through Self Invest and having them processed the next working day will change to 3.59pm Sydney time (previously 11.59pm Sydney time). Term deposit orders received after 3.59pm Sydney time on a working day will be considered as having been placed on the next working day. The date this is implemented will be announced on the Self Invest platform.

5. **Introducing customised trading alerts:** Members can now further customise the suite of alerts they receive for a particular listed security for various events such as price alerts, trading volume increases or decreases, and more. Previously, this was limited to email alerts for new UBS research on a particular security. This change came into effect from 10 November 2017.

6. **New Rabobank term deposits no longer available:** As Self Invest users may already be aware, no new Rabobank term deposits are available through Self Invest - including automatic reinvestments into another Rabobank term deposit. Existing Rabobank term deposits will continue to be held until maturity. This change came into effect from 29 September 2017.

Transfer balance caps and commutation authorities

Legislation became effective from 1 July 2017 in relation to the amount of money that you can transfer and hold in a standard Income account (not a Transition to Retirement Income account). The transfer balance cap is $1.6 million and applies to all the money you hold in standard Income accounts, including any accounts you may hold outside QSuper. (This cap will be indexed and increases will be in increments of $100,000.)

If you have in excess of the $1.6 million in total across all of your standard Income accounts (including those held outside QSuper), the ATO may issue you an excess transfer balance determination notice directing you to remove the excess amount. If you do not remove the excess amount by the due date on the notice, the ATO will issue a commutation authority to your super fund, requesting that the fund transfer the excess out of the standard Income account.

If we receive a commutation authority from the ATO, then unless you tell us otherwise, we will automatically transfer the amount over the transfer balance cap to a QSuper Accumulation account. If you are a reversionary Income account holder (a reversionary beneficiary), the amount over the transfer balance cap will be paid to your bank account.

If you have any questions about this information, visit qsuper.qld.gov.au or call us on 1300 360 750.

QSuper