

VPP (Closed) Investment Option

The VPP (closed) investment option explained

The Voluntary Preservation Plan (VPP) option is closed to new investment. If you have some of your super invested in the VPP option, it is invested the same way as our Moderate option for Accumulation account holders. Investment returns for the VPP option differ from our other options in that you are provided a capital guarantee (for a fee).

Investment objective and risk

For the Moderate option, we aim to achieve a return of CPI + 1.5% per annum after investment fees and costs, transaction costs and investment taxes over rolling 10-year periods. A negative annual return is expected between 1 and 2 times in any 20 years.

Asset allocation range from 1 July 2023

Cash	25% - 75%
Fixed interest	0% - 27.5%
Real estate	0% - 12.5%
Equities	7.5% - 35%
Infrastructure	2.5% - 20%
Commodities	0% - 7.5%
Alternative assets	0% - 12.5%

The capital guarantee

The capital guarantee ensures that the investment return over a full financial year is not negative (excluding the capital guarantee fee).

This is done by comparing the unit price at the start of the financial year with the unit price at the end of the financial year. If the unit price has fallen (meaning the value of your balance in the VPP option has reduced) the capital guarantee means we make a deposit into your account to cover the loss. Only money invested for the full financial year is covered by the capital guarantee and we have provided an example of this later in this factsheet.

Fees and costs

The fees and costs for managing your investment in the VPP option is made up of the investment fees and costs and transaction costs for the Moderate option as shown in our Investment Guide, administration fees and costs, and the fee for the capital guarantee which is 0.35% per annum.¹

Administration fees and costs, investment fees and costs and transaction costs are deducted before the daily unit price is declared. The only exception to this is the capital guarantee fee of 0.35%, which is charged at the end of each financial year, after any applicable capital guarantee payment is made to your account.

For further information

- You can learn more about our Moderate option at qsuper.qld.gov.au/investments/compare-investment-options or in our Investment Guide.
- See our Product Disclosure Statement for Accumulation Account available at qsuper.qld.gov.au/pds
- Call us on **1300 360 750**.

¹ Future fees may differ.

Example

If you have \$100,000 invested in the VPP option at 1 July (100,000 units at \$1) and at 30 June the unit price drops to 98 cents, you will receive a capital guarantee benefit of \$2,000, to bring your balance invested in this option back up to \$100,000.

We would then deduct the capital guarantee fee of 0.35% from this amount.

Review date	Number of units	Unit price	Dollar value
Opening balance at 1 July	100,000.00	\$1.00	\$100,000
Balance at 30 June (before guarantee)	100,000.00	\$0.98	\$98,000
+ Capital guarantee added	2,040.82	\$0.98	\$2,000
- Capital guarantee fee	357.14	\$0.98	\$350
Actual 30 June closing balance	101,683.68	\$0.98	\$99,650

Withdrawing funds from the VPP option

If you withdraw funds from the VPP option during the year, only the remaining units will be covered by the capital guarantee and we will only charge the capital guarantee fee on the remaining balance (after the capital guarantee has been added).

If you decide at any stage to switch your funds from the VPP option to one of our other investment options, you will not be able to switch them back to the VPP option, as it has closed.

Contributions

You can choose to invest any contributions made to your Accumulation account in our available options, which does not include the closed VPP option.

Deferred Retirement Benefit

You may be able to transfer the balance of your Deferred Retirement Benefit into the VPP option, if you currently have an Accumulation account with funds invested in this option.

To be eligible you must:

- Keep your Deferred Retirement Benefit open and in the Average Wage option, until you turn 55.
- Have an Accumulation account with funds invested in the VPP option, when you turn 55.
- Let us know you want the balance of this account transferred to the VPP option, before you turn 55.

If you meet the above eligibility, when you turn 55 your Deferred Retirement Benefit account will close and the balance will be transferred in to your Accumulation account, and invested as you request.

Eligibility to stay invested in the VPP option

You are eligible to keep your funds invested in the VPP option as long as you have an Accumulation account. If you close your Accumulation account, decide to make an investment switch out of the VPP option, or you withdraw your benefit from the VPP option, you won't be able to contribute to the VPP option again as this option is now closed (meaning it can't accept deposits, unless you meet the above eligibility).

Advice tailored to you

If you need some help choosing your investment options, you might want to consider personal financial advice.

You can find out more about the options at qsuper.qld.gov.au/advice

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