

Important update Investment fees and costs and transaction costs

Investment fees and costs and transaction costs are generally calculated based on actual costs and reasonable estimates of actual costs incurred in the previous financial year. Where actual costs are not available, reasonable estimates of actual costs are used.

For the QSuper Product Disclosure Statement for Income Account and Lifetime Pension (PDS) issued on 1 July 2023, we calculated investment fees and costs and transaction costs for the 2022-23 financial year before the end of the financial year. This calculation was based on the actual costs that were available at the time the PDS was prepared.

Following the end of the 2022-23 financial year, we recalculated the investment fees and costs and transaction costs, based on a greater proportion of actual costs, relying less on reasonable estimates.

As a result, the investment fees and costs and transaction costs have been updated.

QSuper Product Disclosure Statement for Income Account and Lifetime Pension

The below updates apply to pages 81, 83 and 89-90 of the PDS issued 1 July 2023. We have highlighted the updated information, so that you can easily see what's changed. This Important Update should be read in conjunction with the QSuper Product Disclosure Statement for Income Account and Lifetime Pension.

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Fees and other costs for Income accounts

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Fees and costs summary – Income accounts

QSuper Income Account		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
<i>Administration fees and costs</i>	0.15% p.a. capped at \$875 p.a. Plus 0.07% p.a.	We deduct a percentage fee of 0.15% p.a from your investment returns. Percentage fees are calculated on a daily basis and deducted before we declare the unit price on working days. We apply an administration fee cap of \$875 p.a. in a financial year to the 0.15% p.a. fee you pay. When the administration costs exceed member administration fees collected these costs are met from our general reserve, not from your account balance or investment returns. We estimated this amount as 0.07% p.a. for the year ending 30 June 2023.
<i>Investment fees and costs^{2,3}</i>	0.06% p.a. – 0.49% p.a. of your account balance. The investment fees and costs vary according to which investment options you choose. See the table on page 4 for the specific investment fees and costs for each investment option.	Percentage fees are calculated on a daily basis and are deducted from investment returns before we declare the unit price on working days.
<i>Transaction costs³</i>	0.00% p.a. – 0.14% p.a. of your account balance. The transaction costs vary according to which investment options you choose. See the table on page 4 for the specific transaction costs for each investment option.	Percentage fees are calculated on a daily basis and are deducted from investment returns before we declare the unit price on working days.
Member activity related fees and costs		
<i>Buy-sell spread</i>	Nil	
<i>Switching fee</i>	Nil	
<i>Other fees and costs⁴</i>	Other fees and costs may be deducted from your account, such as advice fees for personal advice. We describe fees and costs that may apply to your account in 'Additional explanation of fees and costs'.	

¹ If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded. ² Investment fees and costs includes an amount of 0.00% to **0.17% p.a.** for performance fees. The specific performance fees for each investment option and the calculation basis for the performance fees is set out under 'Additional explanation of fees and costs'. ³ The investment fees and costs and transaction costs are estimates only. We explain the calculation basis for investment fees and costs and transaction costs under 'Additional explanation of fees and costs'. ⁴ Refer to 'Additional explanation of fees and costs' for details.

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Example of annual fees and costs for superannuation products – Income accounts

This table gives an example of how the ongoing annual fees and costs for the Balanced option for this superannuation product can affect your superannuation investment over a 1-year period. You should use this table to compare this superannuation product with other superannuation products.

Example – Income account Balanced option		BALANCE OF \$50,000
Administration fees and costs	0.22% p.a. ¹	For every \$50,000 you have in the superannuation product you will be charged or have deducted from your investment \$110 in administration fees and costs.
PLUS Investment fees and costs	0.48% p.a.	And , you will be charged or have deducted from your investment \$240 in investment fees and costs.
PLUS Transaction costs	0.08% p.a.	And , you will be charged or have deducted from your investment \$40 in transaction costs.
EQUALS Cost of product		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of \$390 for the superannuation product.

Note: *Additional fees may apply. The above table showing an example of annual fees and costs for our Balanced option is illustrative only and based on the assumptions listed. The actual amount of fees and costs can vary depending on your investment option and other factors.

¹ 0.07% p.a. of costs are met from reserves, which equates to \$35 for a \$50,000 account balance. This is not deducted from your account.

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Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a 1-year period for all superannuation products and investment options. It is calculated in the manner shown in the 'Example of annual fees and costs'.

The cost of product information assumes a balance of \$50,000 at the beginning of the year. (Additional fees such as a buy-sell spread may apply. Refer to the Fees and costs summary for the relevant superannuation product or investment option.) You should use this figure to help compare superannuation products and investment options.

Investment option	Cost of product ¹
Moderate	\$275
Balanced	\$390
Socially Responsible	\$385
Aggressive	\$395
Australian Shares	\$150
International Shares	\$150
Diversified Bonds	\$345
Cash	\$140
Self-Invest ²	\$476

¹ 0.07% of costs are met from reserves, which equates to \$35 for a \$50,000 account balance. This is not deducted from your account. ² This amount only includes the fees and costs that relate to Self Invest and gaining access to accessible financial products and does not include any fees and costs that relate to investing in the accessible financial products. Additional fees and costs may be charged by the issuers of the accessible financial products that you choose to invest in through Self Invest.

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Additional explanation of fees and costs – Income accounts

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Investment fees and costs and transaction costs for each investment option

This table shows the investment fees and costs and transaction costs for each investment option available to Income account holders.

The investment fees and costs and transaction costs are estimates only. We base these figures on the investment fees and costs and transaction costs for the year ended 30 June 2023. The actual amount you'll be charged will depend on the actual fees and costs the Trustee incurs in managing the investment option.

Investment fees and costs include an amount for performance fees. We describe performance fees and set out the performance fees for each option in the next table.

Investment option	Investment fees and costs	Transaction costs
Moderate	0.28% p.a.	0.05% p.a.
Balanced	0.48% p.a.	0.08% p.a.
Socially Responsible	0.41% p.a.	0.14% p.a.
Aggressive	0.49% p.a.	0.08% p.a.
Australian Shares	0.07% p.a.	0.01% p.a.
International Shares	0.07% p.a.	0.01% p.a.
Diversified Bonds	0.41% p.a.	0.06% p.a.
Cash	0.06% p.a.	0.00% p.a.

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Performance Fees

We generally incur investment fees and costs from our investment managers based on a percentage of the market value of the funds managed. In some cases, managers may have a lower base fee plus a performance fee that we pay if assets they manage beat certain performance targets.

Performance fees form part of investment fees and costs. They're part of the amounts we show you as investment fees and costs in this PDS.

We believe that performance fees encourage our investment managers to try to deliver sustained investment performance.

Performance fees are difficult to predict because they are based on future investment performance of many underlying investments. They're not based on the performance of the whole investment option.

We show you performance fees that are an average of the previous five financial years. The actual performance fees may be higher or lower because of performance by various underlying investment managers.

Investment option for Income accounts	Performance fees
Moderate	0.08% p.a.
Balanced	0.16% p.a.
Socially Responsible	0.00% p.a.
Aggressive	0.17% p.a.
Cash	0.00% p.a.
Diversified Bonds	0.04% p.a.
International Shares	0.00% p.a.
Australian Shares	0.00% p.a.

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Fees and other costs for Lifetime Pension

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Fees and costs summary – Lifetime Pension

The Lifetime Pension is invested in the QSuper Balanced investment option for Retirement Income accounts. This summary shows the fees and costs that apply to this option. We deduct fees and costs from the Lifetime Pension pool, not individual accounts.

Lifetime Pension pool invested in the QSuper Balanced option for Retirement Income accounts		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
<i>Administration fees and costs</i>	0.15% p.a. Plus 0.07% p.a.	We deduct a percentage fee of 0.15% p.a. from the investment returns of the QSuper Balanced option that the Lifetime Pension pool is invested in. Percentage fees are calculated on a daily basis and are deducted before we declare the unit price on working days. When the administration costs exceed member administration fees collected these costs are met from our general reserve, not from the Lifetime Pension pool. We estimated this amount as 0.07% for the year ending 30 June 2023.
<i>Investment fees and costs^{1,2}</i>	0.48% p.a.	Percentage fees are calculated on a daily basis and are deducted from investment returns before we declare the unit price on working days.
<i>Transaction costs²</i>	0.08% p.a.	Percentage fees are calculated on a daily basis and are deducted from investment returns before we declare the unit price on working days.
Member activity related fees and costs		
<i>Buy-sell spread</i>	Nil	
<i>Switching fee</i>	Nil	
<i>Other fees and costs³</i>	We describe fees and costs that apply to your Lifetime Pension in 'Additional explanation of fees and costs'.	

¹ Investment fees and costs includes an amount of **0.16%** p.a. for performance fees. The calculation basis for this is set out under 'Additional explanation of fees and costs'. ² The investment fees and costs and transaction costs are estimates only. We explain the calculation basis for investment fees and costs and transaction costs under 'Additional explanation of fees and costs'. ³ Refer to 'Additional explanation of fees and costs' for details.

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Example of annual fees and costs for superannuation products – Lifetime Pension

This table gives an example of how the ongoing annual fees and costs for the Lifetime Pension can affect your superannuation investment over a 1-year period. You should use this table to compare this superannuation product with other superannuation products.

Example – Lifetime Pension	BALANCE OF \$50,000	
Administration fees and costs	0.22% p.a. ¹	For every \$50,000 you have in the superannuation product, the pool will be charged \$110 in administration fees and costs.
PLUS Investment fees and costs	0.48% p.a.	And , the pool will be charged or have deducted \$240 in investment fees and costs.
PLUS Transaction costs	0.08% p.a.	And , \$40 in transaction costs will be charged or deducted from the pool each year.
EQUALS Cost of product		The pool balance of \$50,000 invested in the Balanced option for the year will be charged fees and costs of \$390 for the superannuation product.

Note: *Additional fees may apply. The above table showing an example of annual fees and costs is illustrative only and based on the assumptions listed. The actual amount of fees and costs can vary.

¹ 0.07% p.a. of costs are met from reserves, which equates to \$35 for a \$50,000 account balance. This is not deducted from the Lifetime Pension pool.

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Performance fees

We generally incur investment fees and costs from our investment managers based on a percentage of the market value of the funds managed. In some cases, managers may have a lower base fee plus a performance fee that we pay if assets they manage beat certain performance targets.

Performance fees form part of investment fees and costs. They're part of the amounts we show you as investment fees and costs in this PDS.

We believe that performance fees encourage our investment managers to try to deliver sustained investment performance.

Performance fees are difficult to predict because they are based on future investment performance of many underlying investments. They're not based on the performance of the whole investment option.

We show you performance fees that are an average of the previous five financial years. The actual performance fees may be higher or lower because of performance by various underlying investment managers.

Investment option for Lifetime Pension	Performance fees
QSuper Balanced	0.16% p.a.