

Summary of changes: QSuper Socially Responsible option

On 1 July 2023 we made strategic changes to the QSuper Socially Responsible option. These changes are designed to help you benefit from our size and scale as part of Australian Retirement Trust. We're focussed on delivering a best in market suite of investment options to help you retire well with confidence.

This factsheet outlines the important information for account holders.

Asset allocation

On 1 July 2023, the asset allocation for the QSuper Socially Responsible option changed to more closely reflect the asset allocation of the Super Savings Socially Conscious Balanced option. To help you understand this change, a comparison of the asset allocations of those two options as at 31 March 2023 are shown in the table below.¹

Asset class	Asset allocation as at 31 March 2023 (%) ¹	
	QSuper Socially Responsible option	Super Savings Socially Conscious Balanced option
Cash	4.8%	1.3%
Fixed interest	13.7%	17.9%
Real estate	18.9%	19.9%
Equities ²	57.8%	60.8%
Infrastructure	4.1%	0.0%
Commodities	0.3%	N/A
Alternative assets	0.5%	0.0%

Asset class approach

From 1 July 2023, the responsible investment strategy for the QSuper Socially Responsible option changed for Australian and International Shares and Fixed Income. All other asset classes remain unchanged.

Asset class	Current to 30 June 2023		From 1 July 2023	
	Responsible investment strategies	Approach	Responsible investment strategies	Approach
Australian and international shares	Sustainability-themed investing	Invests in a range of listed shares, the companies of which derive at least half their revenue from activities associated with one or more of the United Nation's 17 Sustainable Development Goals (UN SDGs).	Negative screening, stewardship	Invested in a range of listed shares that do not exceed the negative screens outlined below.
Fixed Income	Sustainability-themed investing	20% is invested in a global green bond index fund, which invests in bonds whose proceeds are used for climate-related or environmental projects. The remainder is in transitional long-duration bonds.	Sustainability-themed investing	The option's fixed income investments strategy includes sustainability-themed investing through bonds whose proceeds are used for climate-related or environmental projects.

Equities – Australian and International shares exclusions

From 1 July 2023, the QSuper Socially Responsible option's investments in Australian and International shares excludes direct investment in companies that exceed the specified negative screens.

Exclusions ³	Description of exclusion criteria	Exclusion threshold
Thermal Coal	Mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties.	5% gross revenue (reported or estimated) threshold in most recent year of financial reporting.
Metallurgical Coal	Mining of metallurgical coal (including coking coal) and its sale to external parties.	
Oil and Gas	Extraction and production, or refining of oil and gas.	
Fossil fuel power generation	Thermal coal, liquid fuel and natural gas based power generation.	
Alcohol	Companies that manufacture alcoholic products, including brewers, distillers and vintners. It also includes companies that own or operate wine vineyards.	
Gambling	Companies that operate gambling facilities such as casinos, racetracks, bingo parlours or other betting establishments.	
Adult entertainment⁴	Companies that produce adult entertainment materials.	No threshold (companies deriving any revenue from manufacture of these products are excluded).
Tobacco and alternative smoking products⁵	Companies that manufacture tobacco products, or products aimed to replace or supplement tobacco products.	
Controversial weapons	Companies that have any tie to controversial weapons (cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons and/or nondetectable fragments).	
Nuclear weapons	Companies that have an industry tie to nuclear weapons.	
Live animal exports	Australian shares companies that own and/or operate live animal export operations.	Australian shares companies identified by internal desktop research to own and/or operate live animal export operations.

Exceptions to these exclusions

The screening criteria does not apply to pooled vehicles or derivatives, which may have indirect exposure to companies exceeding the negative screens.

The thermal coal and metallurgical coal exclusions do not apply to companies deriving revenue from coal mined for internal power generation, intra-company sales of mined thermal and metallurgical coal, and revenue from coal trading.

The implementation of the exclusions above (other than the exclusion concerning live animal exports) relies upon accuracy of data from a third-party provider (MSCI).



Sometimes we may accept excluded listed shares as part of super fund mergers. In this instance, we seek to divest in a manner aligned with members best financial interest, usually within 30 days.

Exclusion lists are updated twice yearly. Following these updates, we inform external investment managers which listed equity shares are required to be excluded from new and existing investments.

Performance objective

Account type	Current to 30 June 2023	From 1 July 2023
Accumulation & Transition to retirement	CPI + 3.5% p.a. (after fees and tax) measured over rolling 5-year periods	CPI + 3.5% p.a. measured over rolling 10-year periods (after investment fees and costs, transaction costs and investment taxes)
Income	CPI + 3.5% p.a. (after fees and tax) measured over rolling 5-year periods	CPI + 4% p.a. measured over rolling 10-year periods (after investment fees and costs and transaction costs)

Risk measure

Current to 30 June 2023	From 1 July 2023
<p>Medium to High</p> <p>A negative annual return is expected between 3 and 4 times in any 20 years.</p>  <p>Medium to High</p>	<p>High</p> <p>A negative annual return is expected between 4 and 6 times in any 20 years.</p>  <p>High</p>

Read more about standard risk levels: qsuper.qld.gov.au/srm

Fees and costs – per annum

Current to 30 June 2023			From 1 July 2023		
Investment fees & costs ⁶	Transaction costs	Per \$50,000 invested	Investment fees & costs ⁶	Transaction costs	Per \$50,000 invested
0.31%	0.05%	\$180	0.41%	0.22%	\$315

Cost of product is a summary of ongoing fees and costs that can affect your super investment over 1 year. Additional fees and costs may apply. View detailed fee breakdowns via qsuper.qld.gov.au/fees

The table shows the estimated investment fees and costs, transaction costs and performance fees for the Socially Responsible option to 30 June 2023 and from 1 July 2023.



Want to learn more about the investment options you can choose?

Visit qsuper.qld.gov.au/investments

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Member Centres

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Part of Australian Retirement Trust

1 Percentages are subject to rounding. **2** Includes Australian shares, international shares and private equity. **3** Thermal Coal, Oil and Gas and Fossil fuel power generation exclusions are based on MSCI ESG Climate Change Metrics Methodology (November 2022) and associated universe coverage. The Metallurgical Coal exclusion uses data supplied through, and defined within, MSCI ESG Manager platform. The alcohol, gambling, adult entertainment, tobacco and alternative smoking products, controversial weapons and nuclear weapons exclusions use MSCI ESG Business Involvement Screening Research Methodology (October 2022) and associated universe coverage. The live animal export exclusion applies to listed Australian Shares companies and internal desktop research is conducted by Australian Retirement Trust. **4** Companies that produce adult entertainment materials that fall into the following six categories: Producer of X-rated films, Producer of Pay-per-view programming or channels, Producer of sexually explicit video games, Producer of books or magazines with adult content, Live entertainment of an adult nature, Producer of adults-only material on the internet. **5** Tobacco and alternative smoking products refers to companies that manufacture tobacco products (or products aimed to replace or supplement tobacco products), such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves. **6** Investment fees and costs figures include performance fees of 0.01% p.a. (pre 1 July 2023) and 0.02% p.a. from 1 July 2023.

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