

# Important notice from the QSuper Board of Trustees

## Changes to your QSuper Pension account investment options

As part of our ongoing commitment to champion better retirement outcomes for our members we're making changes to:

- some of our investment options for the Accumulation and QSuper Pension accounts
- the name of the QSuper Pension account – this will change to the QSuper Income account
- QSuper's fee arrangements for personal financial advice provided by QInvest.<sup>1</sup>

## What's changing?

Below is a summary of upcoming QSuper changes that may affect you:

Modifying some investment options:

- QSuper Balanced (Default)
- QSuper Moderate
- QSuper Aggressive
- Diversified Bonds

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## Some of our investment options are changing

We review our investment options regularly to match them to our members' needs. We also recognise expected asset class returns change over time, and so from 16 December 2013 some of our investment option objectives will change. See the boxes below for more information on what the changes may mean for you.

### QSuper Balanced (Default) option

From 16 December 2013 we'll be renaming this option the QSuper Balanced option. This will no longer be our default investment option for Accumulation accounts.



#### Current investment objective for QSuper Balanced (Default) option

To achieve a return of CPI + 4% p.a. after fees and tax, measured over rolling ten-year periods.

#### Investment objective from 16 December 2013 for the QSuper Balanced option

To achieve a return of CPI + 3.5% p.a. after fees and tax, measured over rolling ten-year periods.

### QSuper Moderate option

#### Current investment objective

To achieve an average return of CPI + 3% p.a. after fees and tax, measured over rolling three-year periods.



#### Investment objective from 16 December 2013

To achieve a return of CPI + 2.5% p.a. after fees and tax, measured over rolling three-year periods.

See overleaf for information on asset allocation ranges.

### QSuper Aggressive option

#### Current investment objective

To achieve an average return of CPI + 5% p.a. after fees and tax, measured over rolling ten-year periods.



#### Investment objective from 16 December 2013

To achieve a return of CPI + 4.5% p.a. after fees and tax, measured over rolling ten-year periods.

### Diversified Bonds option

#### Current investment objective

To capture the return of a broadly diversified portfolio of global fixed interest investments, after fees and tax.



#### Investment objective from 16 December 2013

To match the return of a 40% Australian and 60% International Diversified Bond Index (hedged in \$AUD) after fees and tax.

<sup>1</sup> QInvest Limited (ABN 35 063 511 580, AFSL and Australian Credit Licence number 238274) is ultimately owned by the QSuper Board (ABN 32 125 059 006) as trustee for the QSuper Fund (ABN 60 905 115 063), and is a separate legal entity which is responsible for the financial services and credit services it provides.



If you need more information, visit  
[qsuper.qld.gov.au/investments](http://qsuper.qld.gov.au/investments)

### Other changes to the QSuper Moderate option

In addition to the changes to the investment objective, the asset allocation ranges for the QSuper Moderate option will change from 16 December 2013. However the standard risk measure will stay the same. The QSuper Moderate option aims to provide some exposure to growth assets with potential for moderate returns, while offering greater short to medium-term stability. Changing the asset allocation ranges will provide greater flexibility in managing the assets and aims to minimise the potential effects of volatility of returns within the investment option. The table below shows the changes to the asset allocation ranges.

Current asset allocation ranges (%)		Asset allocation ranges (%) from 16 December 2013	
Cash	40 - 70	Cash	40 - 70
Fixed interest	0 - 12.5	Fixed interest	2.5 - 17.5
Property	0 - 10	Property	0 - 10
Australian shares	10 - 20	Australian shares	2.5 - 15
International shares	7.5 - 17.5	International shares	2.5 - 22.5
Alternative assets	0 - 10	Alternative assets	0 - 12.5
Infrastructure	0 - 10	Infrastructure	0 - 10

### Closure of the QSuper Indexed Mix option

The QSuper Indexed Mix option will close on 16 December 2013. One of the reasons for the closure is that the QSuper Balanced (Default) option has become closely aligned to the QSuper Indexed Mix option. The QSuper Balanced option has a lower risk investment option than the QSuper Indexed Mix, with a similar return objective.

### What does the closure of the QSuper Indexed Mix option mean for my investment?

Any funds invested in the QSuper Indexed Mix option at 5pm on 13 December 2013 will be transferred to the QSuper Balanced option on 16 December 2013. If you are invested in this option and don't want your funds moved into the QSuper Balanced option, you will need to make an investment switch before 5pm on 11 December 2013.

We're proud to announce QSuper was awarded Pension Fund of the Year at the Chant West Conexus Financial Super Fund Awards 2013.

### QInvest advice changes from 1 November 2013

QInvest provides personal financial advice to QSuper members on a range of topics covering superannuation, retirement planning, wealth creation, salary packaging and personal life insurance.

QSuper contributes towards the cost of our members seeking personal advice provided by QInvest regarding your QSuper benefit. Members only pay a part of the total cost of QSuper related advice, called a member co-payment. From 1 November 2013, the member co-payment amount for QInvest financial advice will change.

If you're seeking advice on matters other than your QSuper account, the amount of your member co-payment will vary depending on your situation, the nature of the advice and whether you seek advice over the phone or face to face.

QInvest will continue to advise you of the applicable fee before providing you with advice. To find out more please visit our website, [qsuper.qld.gov.au](http://qsuper.qld.gov.au).

Call QInvest on 1800 643 893 for more information, or to make an appointment with a financial adviser.

### Operational risk reserve and other reserves

QSuper has recently set up an Operational Risk Financial Requirement Reserve (ORFR Reserve). The primary purpose of this reserve is to ensure that QSuper has adequate financial resources to address losses arising from operational risks within its business operations, where such costs are not met by third parties, or are recoverable from third parties or insurance only at a later stage. Such costs were previously covered by the General Reserve, but it's now a legislative requirement to have a separate operational risk reserve. There are no additional costs to members from this change.

If you need more information, we're here to help: [qsuper.qld.gov.au](http://qsuper.qld.gov.au)

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