

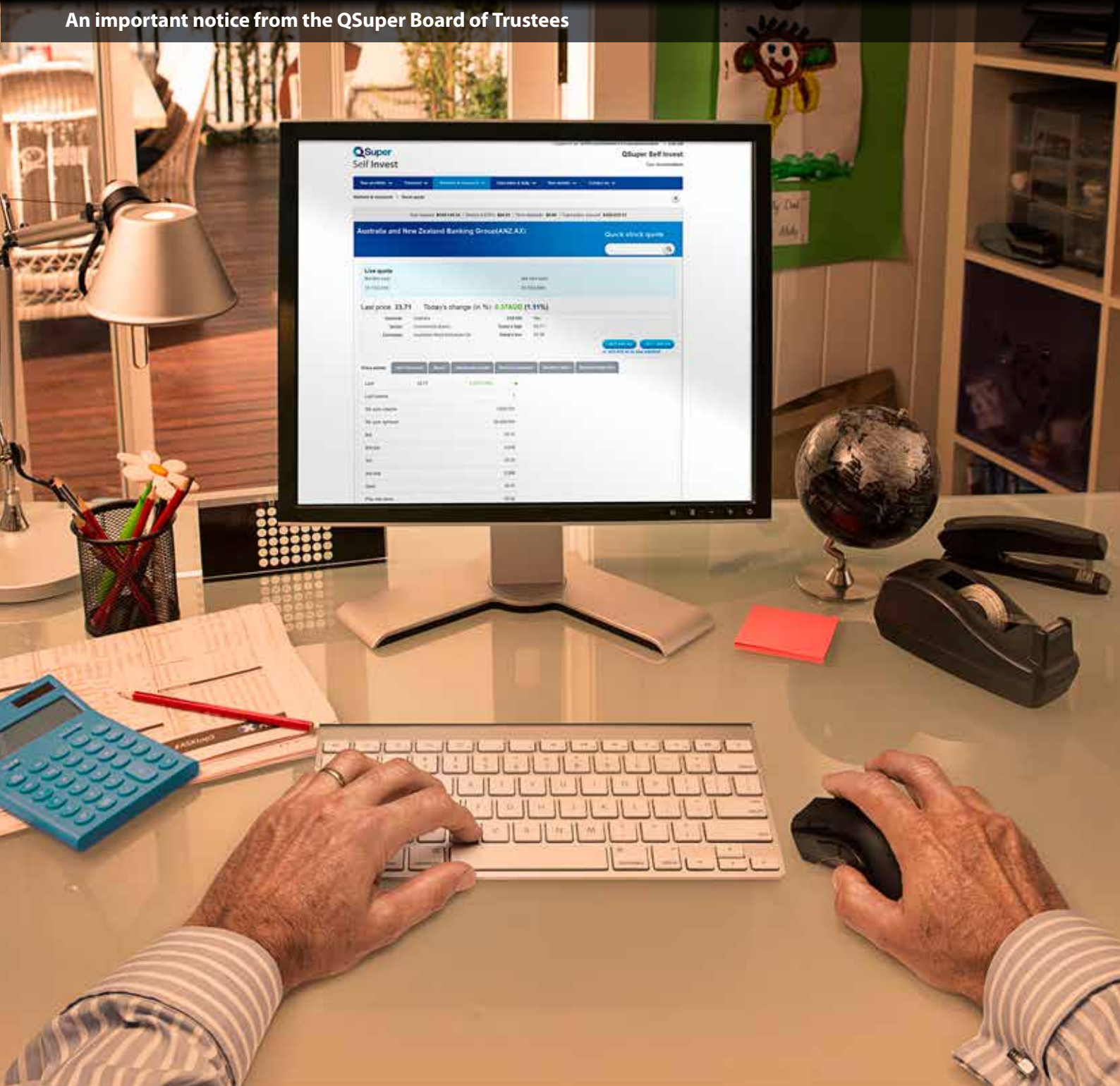


QSuper Self Invest



For members seeking a hands on approach to managing their super investments.

An important notice from the QSuper Board of Trustees



A new way to manage your super

At QSuper we're always listening to what you want from us. We know that some of our members want more control over their super, which is why we're introducing a direct investment option called QSuper Self Invest. Designed to offer you a hands on approach to your super investments, Self Invest will be available from September 2014 – keep an eye on our website for more information on the launch date.

What QSuper Self Invest offers you



Control, flexibility and choice

Buy and sell Australian shares and exchange traded funds (ETFs) online and in real time, or choose from a range of term deposits from some of Australia's best known banks.



Convenience

Online access at a time and place that suits you.



Low fees

No fees to transfer into the option, and competitive ongoing fees and costs.



Tax advantages

You can take advantage of tax benefits that are similar to those available to an SMSF investor, but without the hassle and expense.



Investment tools and research

Access to up-to-date market research and data, including watch lists and charting, to help you make informed investment decisions.

What is QSuper Self Invest?

With Self Invest you can control your investment outcomes by deciding when and how you buy and sell investments.

This investment option gives you the opportunity to invest a portion of your super directly in:

- ✓ shares listed on the S&P/ASX 300
- ✓ exchange traded funds (ETFs)
- ✓ term deposits.

Convenience and flexibility

Self Invest has been specifically designed with your needs in mind. We know you're busy living life and your time is precious, so Self Invest is a completely online experience. This means you can keep tabs on your investment at a time and place that suits you. Whether it be on your tablet on the morning commute, or at home on your laptop after dinner, Self Invest is available whenever you are.



More detailed information is available in the *QSuper Self Invest Guide*, which you can download from our website.

Why QSuper Self Invest?

Many investors believe that if they want flexibility and control over how their super is invested, a self-managed super fund (SMSF) is their only option. But Self Invest offers a genuine alternative. The table below shows how cost-effective Self Invest can be compared to an SMSF, and it's also worth bearing in mind that the SMSF costs we show here are for a fairly simple SMSF. Depending on the SMSF investment strategy, the final costs could be a lot higher.

Investing via an SMSF		Investing via QSuper Self Invest	
Set up costs			
As well as basic set up costs, you also have to factor in fees charged by ASIC and your service provider.		There is no fee charged to transfer into the Self Invest option.	
Total set up costs	\$916¹	Total set up costs	\$0
Ongoing costs			
As well as ASIC and ATO costs and fees for audit and financial reporting, if you're in the pension phase you also have to factor in additional fees, including an Actuarial certificate.		All your ongoing costs are wrapped up in our monthly access fee and annual administration fee.	
Total ongoing costs	\$1,163¹	Total ongoing costs	\$754²
Total pension ongoing costs	\$1,593¹		
Administration			
You are responsible for your administration, investing and record keeping. Should you decide to use an administrator, it may cost from \$2,225 ¹ a year.		We take care of all the paperwork and administration hassles for you at no additional cost.	

¹ *Costs of Operating SMSFs* - Rice Warner, May 2013. Based on an SMSF with low complexity of investments. Not including investment fees or brokerage costs. The actual costs in any particular case could be more or less. ² Based on a QSuper Self Invest balance of \$250,000. Not including investment fees or brokerage costs.

Want expert advice?

Before embarking on a direct investment strategy, we strongly recommend you get personal financial advice.

As a QSuper member you have access to affordable financial advice from QInvest³ – for more information or to make an appointment with a financial adviser, visit QInvest qinvest.com.au or call **1800 643 893**.



³ QInvest Limited (ABN 35 063 511 580, AFSL and Australian Credit Licence number 238274) is ultimately owned by the QSuper Board of Trustees for the State Public Sector Superannuation Scheme (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.

What are the tax advantages?

QSuper Self Invest offers many of the tax benefits available with an SMSF, but with greater convenience and less cost. And because Self Invest offers transparency over the way tax is applied to your account you can make investment decisions that could potentially boost your balance. See page 9 for more information on the tax advantages Self Invest offers.

Is QSuper Self Invest for me?

Self Invest offers a great opportunity to get hands on with your super and take more control over how your money is invested. However it is important to understand that this option isn't suitable for everyone. Super is a long-term investment designed to ensure you have the funds you need to support yourself in retirement, and attempting to make short-term investment decisions may result in a financial loss. You need to be able to dedicate both time and research to actively manage and monitor your investments. More information on the risks you should consider before making a decision to invest can be found on page 7, or in the *QSuper Investment Choice Guide*.

What are my investment options?

QSuper Self Invest gives you the control to manage your super by offering you the choice of Australian shares, exchange traded funds (ETFs) and term deposits.



Australian shares (S&P/ASX 300)

Choose to invest in the top 300 Australian shares (by market capitalisation and liquidity). You can place an order at any time that's convenient to you, however orders are only actioned during ASX trading hours (10.00am to 4.00pm Sydney time).



Exchange traded funds (ETFs)

Offer a way to invest in a portfolio of investments, are similar to managed funds and can be traded like shares on the Australian Securities Exchange. You can place an order at any time that's convenient to you, however orders are only actioned during ASX trading hours (10.00am to 4.00pm Sydney time).



Term deposits

Provide more certainty in the rate of return you'll receive by offering a fixed rate. You can choose an investment term ranging from 30 days to 365 days. Term deposits cannot be broken, except in special circumstances – see the *QSuper Self Invest Guide* for more information. You can place an order for a term deposit any day up to 11.59pm Sydney time.

The benefits of investing in ETFs

An ETF is a pre-mixed portfolio of investments selected and managed by investment professionals.

Types of ETFs can include:

- ✓ funds with exposure to asset classes such as property
- ✓ Australian and international shares
- ✓ investment sectors such as the resources sector
- ✓ special purpose funds such as high yield funds.

And investing in ETFs lets you gain exposure to certain assets such as listed property.

QSuper has carefully selected the ETFs on offer through Self Invest – more information about ETFs is available in the *QSuper Self Invest Guide* and on our website.

More information on your investment choices in Self Invest can be found in the *QSuper Self Invest Guide*.

With Self Invest you can manage your super online whenever and wherever suits you.

How does QSuper Self Invest work?

Getting started with Self Invest is easy. Operating entirely online, you simply log into Member Online, request a change to your investment mix and choose to transfer funds to Self Invest.

Need some help?

To help you make the most of Self Invest and to support you every step of the way, we've developed a range of online video tutorials and fact sheets, and you'll have access to a share watch list, charting tool and frequent updates on the companies you're invested in.

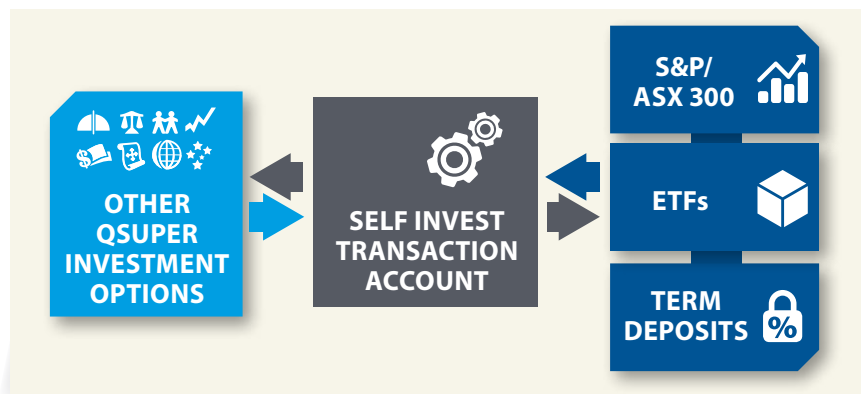
This support is also backed up by access to extensive data from financial market researcher, UBS Securities Australia Ltd.

The first time you make a transfer to Self Invest, a transaction account is created which is the central hub between your existing QSuper investment options and your Self Invest investments.

The transaction account is also your trading account, which you use to invest in shares, ETFs and term

deposits, and where investment returns will be applied and fees deducted from.

The diagram below shows how your super moves between your other QSuper investment options and your Self Invest assets, via your transaction account.



Who is eligible to use Self Invest?

To invest in Self Invest you must have at least \$50,000 in your QSuper Accumulation or Income account. This balance is only required the first time you make a transfer into this option. On an ongoing basis, you are required to maintain the below minimum balances in your other QSuper investment options.

Other QSuper account	Ongoing minimum balance required	If your account balance falls below the minimum balance, you will receive an email notification letting you know that you need to transfer funds to your other investment options.
Accumulation account	\$10,000	
Income account	An amount equal to 24 months of your current Income account payments.	

How do I get started?

QSuper Self Invest is available exclusively online through Member Online at **qsuper.qld.gov.au**.

Before you get started you'll need to:

- ✓ have a valid email address to receive all Self Invest correspondence
- ✓ register for Member Online and accept the terms and conditions
- ✓ view an introductory Self Invest video
- ✓ make a change to your investment mix to include the Self Invest option.

What investment limits apply?

The minimum initial investment in QSuper Self Invest is \$5,000. After this you need to keep \$2,000 in your transaction account at all times. And when making decisions around buying shares and ETFs in Self Invest you should be aware of the below investment exposure limits.

Limits	How it works	For example
Maximum share or ETF exposure ¹	You may have a maximum exposure to shares and ETFs equal to 85% of your QSuper Accumulation or Income account balance.	If you have an account balance of \$100,000 , the maximum amount you can invest in a range of shares or ETFs is \$85,000 .
Maximum single share or ETF exposure ¹	You may have a maximum exposure to a single share or ETF product equal to 25% of the value of your QSuper Accumulation or Income account.	If you have an account balance of \$100,000 , the maximum amount you can invest in a single share or ETF product is \$25,000 .

The minimum single term deposit investment is \$5,000, and the maximum is \$5 million.

Tim's story

Tim has \$200,000 in his QSuper Accumulation account, and the table below outlines the maximum investments he can make in the Self Invest option.



Total funds available	\$200,000
Minimum Accumulation account balance requirements in other QSuper investment option/s	\$10,000
Minimum transaction account balance	\$2,000
Funds available to invest	\$188,000
Maximum single share or ETF exposure	\$50,000
Maximum total share or ETF exposure	\$170,000
Maximum term deposit exposure	\$188,000

So what can Tim do?

Tim is seeking a high level of exposure to growth assets such as shares, and begins to research his options through Self Invest.

He settles on a list of company shares that he believes are currently representing good value to purchase. There is one particular company that he considers investing his maximum single limit of \$50,000 in. After further consideration of the risks of investing and the benefits of diversification, Tim decides it is more prudent to spread his investment risk and avoid too much exposure to one particular company.

He decides to invest the maximum amount that he can across a range of shares and ETFs listed on the S&P/ASX 300, with an even exposure to each company in his list. The remainder of his Self Invest balance is invested in a term deposit.

What does Tim's Self Invest option look like?

Investment in a selection of S&P/ASX 300 shares and ETFs	\$170,000
Investment in term deposit	\$18,000
Transaction account balance	\$2,000



This example is provided for illustrative purposes only and is a hypothetical example of how the investment limits may apply. You should always speak to a financial adviser to determine the best investment strategy for your personal situation.

¹ In some circumstances a member's maximum share or single share limit may be exceeded as a result of market movements or corporate action. A member won't be able to buy additional shares until the share limit is adjusted to the maximum allowable limit.

What are the risks of QSuper Self Invest?

QSuper Self Invest offers you greater flexibility and control over how your super is invested when compared to our other investment options, but you should consider whether it's right for you.

You should remember that superannuation is about investing for your retirement, and that you need to choose an investment mix that balances your income needs with an appropriate level of investment risk.

Choosing to manage your own super investments comes with risk, and the possibility that you could lose money. Before choosing QSuper Self Invest, you should also consider whether you have the expertise and time to manage your investments.

What is my risk profile, and how does it affect my decision to invest in QSuper Self Invest?

Your risk profile is unique to you, and plays an important role when it comes to determining what investments are right for you. Some of the questions that you might want to ask yourself when considering how your super is invested include:

What sort of return do I need to achieve?

How would I feel if my investments decreased in value?

Would I describe myself as a conservative, moderate or aggressive investor?

What retirement outcome am I looking for?

How long do I have before retirement?

So as an example, someone who describes themselves as a conservative investor who wants to protect the value of their superannuation investment over the short term would probably not be suited to investing in shares through QSuper Self Invest, but may find a term deposit investment appropriate.



The *QSuper Self Invest Guide* contains a detailed outline of the risks associated with QSuper Self Invest, and you should read this before making a decision to invest.

Pauline's story

Pauline has always had a very keen interest in investment markets. She has been invested in aggressive investment options for many years, but appreciates that if she takes a more hands on approach to investing she will be dependent upon her own management skills. She also understands that because she is choosing her own investments, her expected returns, and frequency of negative returns, will be unique to her.

However Pauline is a confident investor whose risk profile shows that she has a high tolerance to risk. Because she has over 30 years until retirement, she is comfortable with short-term losses that can be part of the investment cycle. Therefore Pauline decides to invest in shares and share-based ETFs through QSuper Self Invest, although she also understands the importance of applying the principle of diversification to her investment strategy.



What does QSuper Self Invest cost?

QSuper Self Invest offers great value to our members, especially when compared to the self-managed alternatives.¹

With no fees to transfer into the option and an administration fee of 0.22% per annum, QSuper Self Invest is already ahead of the game. And when you also take into account the low access fee of \$17 a month and our competitive brokerage fees and cash

management fees, the benefits really add up.

The table below shows the fees applicable to Self Invest – more information about these fees can be found in the *QSuper Self Invest Guide*.

QSuper Self Invest fees

Fee	Type of fee ²	Value	
QSuper administration fee	Administration fee	0.22% per annum ³	
Access fee	Investment fee	\$17 per month (pro rata)	
Cash management fee	Investment fee	0.40% per annum calculated on your daily transaction account balance	
Brokerage fee	Activity fee	Order Value	Fee per trade ⁴
		up to \$10,000	\$19.50
		\$10,001 – \$27,500	\$29.50
		\$27,501 – \$10,000,000	0.11%
ETF management fee	Indirect cost	Included in ETF fees and deducted from the returns of the underlying ETF investment by the ETF managers ⁵	

² Please refer to the *Self Invest Guide* for definitions of each fee type.

³ The QSuper administration fee is subject to a fee cap. For more information refer to the *Accumulation Account Guide* or the *Income Account PDS*. In Self Invest the administration fee component payable based on your Self Invest account balance is calculated daily and deducted from your transaction account.

⁴ These rates exclude GST. GST is applied to the brokerage fee and you will be entitled to a credit of 75% of any GST paid.

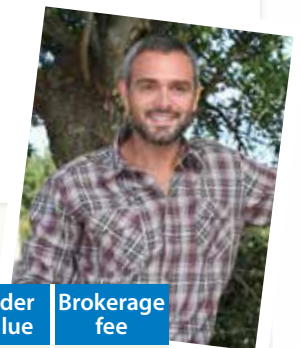
⁵ QSuper doesn't charge any fees directly to your account in relation to the management of any ETF exposures you hold. The price quoted on the ASX reflects all fees and expenses incurred in the management of the ETF. For full details of the applicable ETF management fees, please refer to the Self Invest Investment Menu available on our website.

Adrian's story

How the brokerage fee works

Adrian has some of his super in Self Invest and wants to invest in three different share holdings and ETFs. He places all the orders on the same day, and the table shows the fee he is charged on each.

Investment	Order Value	Brokerage fee
ETF1	\$8,000	\$19.50
ETF2	\$25,000	\$29.50
Share order	\$42,000	\$46.50



¹ *Costs of Operating SMSFs* - Rice Warner, May 2013. Based on balance of \$500,000.

The active investment choices you make can impact on the tax attributed to your Self Invest option, which could result in better super outcomes.

Tax advantages of QSuper Self Invest

QSuper Self Invest offers many of the tax benefits available with an SMSF, but with greater convenience and less cost.

With the control that Self Invest provides you can:

- ✓ Effectively buy and sell capital investments and use a previously created capital loss to offset a future capital gain. This can reduce the amount of capital gains tax attributable to your QSuper account, which could ultimately result in a higher account balance.

Please note that this is only available in the Accumulation account. Investment returns in an Income account are tax free, so no capital gains tax is applied.

- ✓ Open an Income account without having to sell investment assets held in Self Invest. Not only does this save brokerage fees on the sale of shares and ETFs, it also means capital gains tax is not attributed when you transfer money from your Accumulation account to open an Income account.

Putting you in control

All of QSuper's investment options offer you tax benefits that come from being with a large super fund. The difference Self Invest offers is transparency over those benefits, which include:

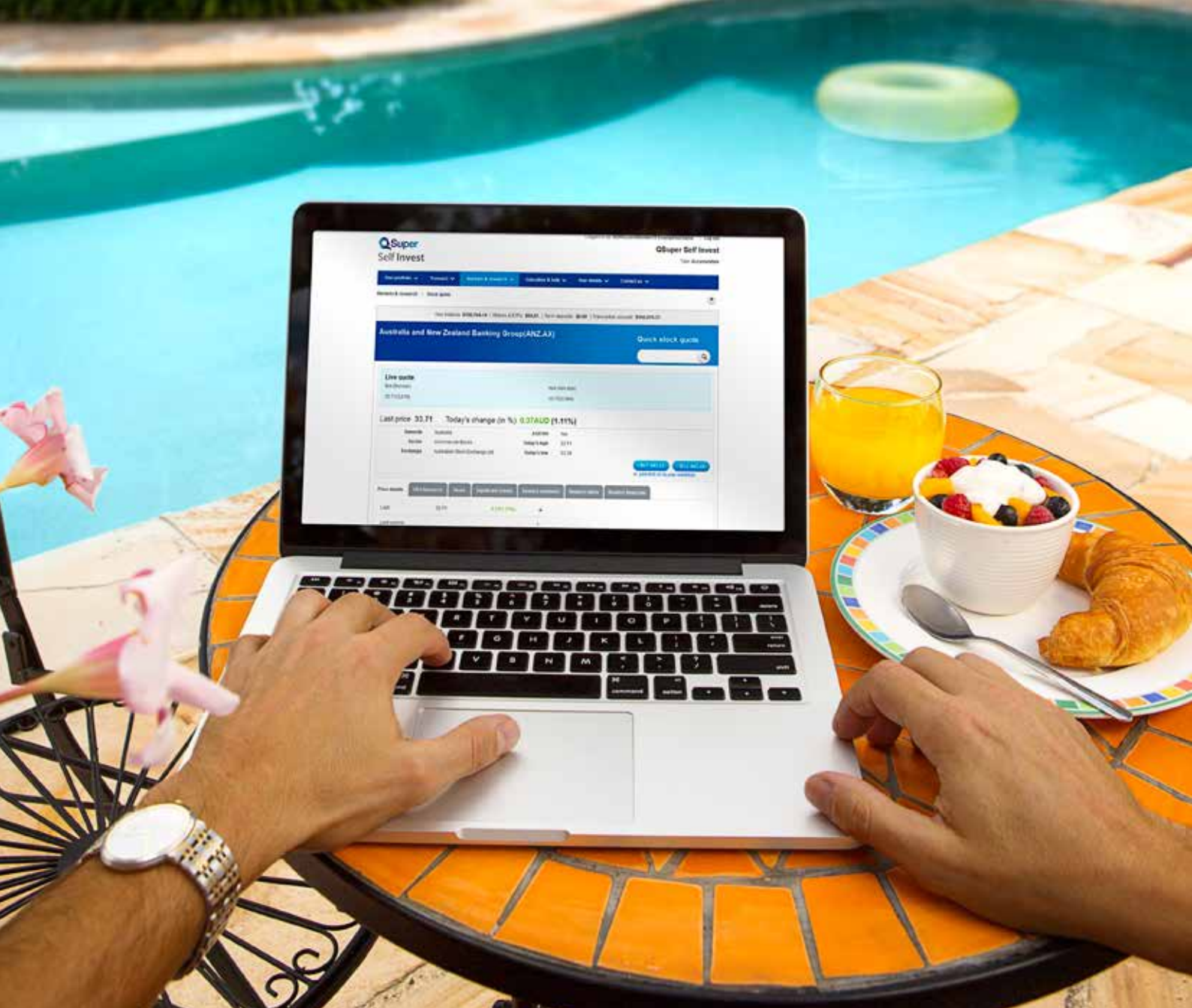
- ✓ Having the value of franking credits received by QSuper attributed to your account at the time the dividend is distributed, rather than having to wait until you file a tax return as you would with many other types of

investment. With Self Invest this means you have the opportunity to reinvest this money sooner.

- ✓ Receiving 10% of any unused capital losses when you transfer out of the Self Invest option (applicable for Accumulation accounts only), or when you transfer your funds from an Accumulation account to open an Income account.

And because you have visibility over when and how tax is applied to your account, you can make investment decisions that could potentially result in more money working harder for your future.

More information on how tax is applied in Self Invest can be found in the *QSuper Self Invest Guide*. You may also want to seek professional tax advice before making an investment decision.



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