

2021

Member Outcomes Assessment

A QSuper Board assessment on whether the financial interests of members are being promoted.

Our story

As one of Australia's largest and oldest superannuation funds, QSuper is here to grow our members' super.

As at 30 June 2021, we administer approximately \$133 billion¹ in retirement savings for more than 620,000 members. As a profit-for-members superannuation fund, everything we do is for our members, including working hard with the objective to maximise returns through our unique investment strategy and striving to keep fees as low as possible.



620,000 members



\$133 billion¹
funds under administration



100+ years
of helping members

QSuper's Member Outcomes Assessment

What is a Member Outcomes Assessment?

This Member Outcomes Assessment analyses the performance of QSuper's Accumulation, Income and Lifetime Pension products across key areas. This assessment is prepared by the QSuper Board as trustee of QSuper to comply with s52(9) of the *Superannuation Industry Supervision Act 1993* (SIS Act) and *Superannuation Prudential Standard 515 Strategic Planning and Member Outcomes* (SPS 515). The assessment is performed as at 30 June each year to allow the Board to determine whether QSuper's products promote the financial interests of the members who hold them.

We offer these products to members:

- an Accumulation account product;
- an Income account product;
- a Lifetime Pension product; and
- a Defined Benefit product that is closed to new entrants.

We invest the money held in the Accumulation and Income products in a number of investment options classified as either 'MySuper' or 'Choice'.

With an Accumulation account, a member can leave their money in our default 'MySuper' investment option, Lifetime. This option uses the member's age and Lifetime account balance to set an investment strategy that suits the member's life stage.²

Our other investment options are classified as 'Choice' investment options and are available to members holding an Accumulation or Income account. Lifetime Pension account balances are invested in our Income account Balanced 'Choice' investment option.

QSuper members can also invest their super directly in shares, exchange traded funds (ETFs), and/or term deposits through Self Invest.³

The assessment consists of:

Part 1 – Assessing QSuper's performance relative to benchmarks and peers on:

- Investment risk and returns
- Fees and costs.

Part 2 – Assessing the appropriateness of:

- Investment strategy
- Fees
- Options, benefits and services
- Operating costs and scale
- Insurance strategy and affordability.

Please see Appendix 1 to this document for details of our approach, peer groups and data sources for this assessment.

"Based on the results of this analysis, the QSuper Board has determined our members' financial interests are being promoted."

Don Luke, Chair of the QSuper Board. February 2022

¹ Net assets include the retirement funds managed by QSuper and employer-sponsor receivables for Defined Benefit members managed and held by Queensland Treasury. ² The different investment strategies utilised within this kind of product are referred to as 'lifecycle stages' in the industry and throughout this document. ³ Self invest is not available with the Transition to Retirement income account or the Lifetime Pension account.



Part 1

Assessing QSuper's performance relative to benchmarks and peers on:

- Investment risk and returns
- Fees and costs.

QSuper's Lifetime returns against regulatory benchmarks and peers

QSuper's default investment option for Accumulation accounts, Lifetime, performed well against regulatory benchmarks.

Around 50% of our Funds Under Management (FUM) is invested in Lifetime, QSuper's default (MySuper) investment option. Lifetime works by automatically personalising a member's investment strategy based on their age and Lifetime account balance.¹

Regulatory changes have been made since the last assessment aiming to hold funds to account for underperformance, with MySuper products subject to an annual performance test. The test is conducted by the Australian Prudential Regulation Authority (APRA). The

test compares the longer-term returns (7 years) against benchmark returns determined by APRA.

Funds offering MySuper options that underperform their relevant benchmark are required to inform members and are listed as underperforming on the YourSuper comparison tool until their performance improves.

7 year returns for all of QSuper's Lifetime lifecycle stages exceeded their relevant benchmark. The excess return against the APRA benchmark return places QSuper in the top quartile³ against all MySuper options.

Comparison to APRA Heatmap benchmark as at 30 June 2021

QSuper Lifetime	Your age	Lifetime balance	Risk ²	QSuper 7 year Net Investment return*	APRA Benchmark return*	Excess Return above benchmark ^{3*}
Outlook	Under 40	Any balance	Medium to high	8.97%	7.98%	0.99% ▲
Aspire 1	40-49	Less than \$50,000	Medium to high	9.48%	8.00%	1.48% ▲
Aspire 2	40-49	\$50,000 or more	Medium to high	8.40%	7.18%	1.22% ▲
Focus 1	50-57	Less than \$100,000	Medium to high	8.15%	7.22%	0.93% ▲
Focus 2	50-57	\$100,000 to less than \$250,000	Medium to high	7.52%	6.73%	0.79% ▲
Focus 3	50-57	\$250,000 or more	Medium to high	6.85%	6.25%	0.60% ▲
Sustain 1	58 or over	Less than \$300,000	Low to medium	5.49%	4.76%	0.73% ▲
Sustain 2	58 or over	\$300,000 or more	Very low	3.84%	3.41%	0.43% ▲

*Sourced from the 30 June 2021 APRA Heatmap. APRA benchmark return represents the 7 year strategic asset allocation (SAA) benchmark. Excess return above benchmark is the difference between the 7 year net investment return and the 7 year SAA benchmark. APRA Heatmap returns and benchmarks are net of all investment related fees but gross of administration fees. Therefore returns do not reconcile with those shown on page 4 which are net of all fees.

1 Lifecycle reviews occur twice a year. **2** Based upon the Standard Risk Measure. For further details see qsuper.qld.gov.au/srm **3** APRA MySuper Heatmap 30 June 2021, apra.gov.au/mysuper-product-heatmap-0. Quartile ranking is based on all MySuper options included in the APRA Heatmap.

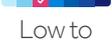
Lifetime has delivered returns that compare well to peers while taking lower than median risk.

We manage risk differently to other funds. Recognising super is designed to provide for members in retirement, we use diversification with the objective to deliver strong, long-term returns with significantly less risk than other funds. This [investment strategy](#) means QSuper generally has less listed equities than other funds, holding unlisted allocations such as infrastructure, property and private equity instead. Over the shorter term, these unlisted assets had strong returns, but equities had exceptional returns. As a result 1 year returns are at or below peer median.

Comparing to peers over the longer term, returns since inception have been above median for all lifecycle stages except for Focus 2 and 3. These options form part of the same peer group as some of our other lifecycle stages (Outlook through to Focus 1), but have significantly fewer growth assets, because they seek to preserve capital as members approach retirement.

All of QSuper's Lifetime lifecycle stages' standard risk measures are lower than median. QSuper's Sustain 2 has the lowest standard risk measure of any MySuper option or lifecycle stage.¹

Returns as at 30 June 2021

QSuper Lifetime	Your age	Lifetime balance	Risk ²	1-year		3-year		5-year		Since inception*	
				QSuper return ³	Peer median return ³	QSuper return ³	Peer median return ³	QSuper return ³	Peer median return ³	QSuper return ³	Peer median return ³
 Outlook	Under 40	Any balance	 Medium to high	16.62% ▼	16.91%	8.57% ▲	7.28%	8.04% ▼	8.14%	8.79% ▲	7.42%
 Aspire 1	40-49	Less than \$50,000	 Medium to high	16.93%	16.93%	8.86% ▲	7.28%	8.72% ▲	8.21%	9.31% ▲	7.42%
 Aspire 2	40-49	\$50,000 or more	 Medium to high	14.41% ▼	16.91%	8.48% ▲	7.28%	7.46% ▼	8.14%	8.23% ▲	7.42%
 Focus 1	50-57	Less than \$100,000	 Medium to high	14.64% ▼	16.91%	8.20% ▲	7.28%	7.37% ▼	8.14%	7.98% ▲	7.42%
 Focus 2	50-57	\$100,000 to less than \$250,000	 Medium to high	12.95% ▼	16.91%	7.65% ▲	7.28%	6.76% ▼	8.14%	7.35% ▼	7.40%
 Focus 3	50-57	\$250,000 or more	 Medium to high	11.14% ▼	16.91%	7.05% ▼	7.26%	6.11% ▼	8.14%	6.69% ▼	7.40%
 Sustain 1	58 or over	Less than \$300,000	 Low to medium	8.78%	8.78%	5.18% ▲	4.87%	4.89%	4.89%	5.32% ▲	5.24%
 Sustain 2	58 or over	\$300,000 or more	 Very low	5.36%	N/A ⁴	3.43%	N/A ⁴	3.32%	N/A ⁴	3.67%	N/A ⁴

▲ returns above peer median ▼ returns below peer median

¹ Returns quoted are based on 30 June 2021 being the valuation date and are net of administration fees, investment fees and taxes. Returns quoted in *Member Benefit Statements* for the same period are based on unit prices as at 30 June 2021. For an explanation of the difference, please see gsuper.qld.gov.au/investments/how-qsuper-invests/unit-prices. ² 3 year, 5 year and since inception returns quoted are compounded annualised returns.

* As Lifetime has not been in existence for 10 years, returns and medians have been reported from inception to 30 June 2021 (7 years).

¹ APRA *Quarterly Statistics* as at 30 June 2021 apra.gov.au/quarterly-superannuation-statistics. ² Based upon the Standard Risk Measure. For further details see gsuper.qld.gov.au/srm ³ See Appendix 1 for information on data sources and peer groups. ⁴ Sustain 2 doesn't have an applicable peer group as there are no other MySuper options or lifecycle stages in the industry with the same Standard Risk Measure (very low) as at 30 June 2021.

QSuper's Choice investment option returns against objectives and peers

QSuper's Choice investment options are mostly achieving their objectives.

QSuper met 6 of its 8 investment return objectives for the Accumulation account options and 7 of its 8 investment return objectives for the Income account options in 2020-21.

Moderate (Accumulation account) has marginally underperformed against the benchmark given its higher proportion of cash assets and the current low cash rate environment. The Moderate option (Income account) has met its investment objective.

The Australian Shares option has underperformed its benchmark but continues to perform well against peers. This option delivers a passive equity exposure.

Please note that the Lifetime Pension product funds are pooled and are invested in the Income account Balanced option.

Objectives and returns as at 30 June 2021

Investment option	Current objective	Period of objective ¹	Return p.a. over objective period ¹	Benchmark p.a. over objective period ¹
Choice investment options				
Diversified				
 Moderate	CPI +2.5% p.a.	3 Year	4.18% ² ▼	4.22%
 Balanced	CPI +3.5% p.a.	10 Year	8.52% ▲	5.51%
 Socially Responsible	CPI +3.5% p.a.	5 Year	7.16% ▲	5.38%
 Aggressive	CPI +4.5% p.a.	10 Year	9.72% ▲	6.53%
Single sector				
 Cash	To match the return of the Bloomberg AusBond Bank Bill Index, after fees and tax.	3 Year	0.78% ▲	0.62%
 Diversified Bonds	To match the return of a 40% Australian and 60% international diversified bonds index (hedged in \$AUD), after fees and tax.	3 Year	3.95% ▲	3.21%
 International Shares	To match the return of the MSCI World Developed Markets ex-Australia net dividends reinvested accumulation index, hedged after fees and tax.	3 Year	12.96% ▲	12.00%
 Australian Shares	To match the return of the S&P/ASX 200 Accumulation Index, after fees and tax. ³	3 Year	9.09% ▼	9.40%

▲ returns above benchmark p.a. over objective period ▼ returns below benchmark p.a. over objective period

¹ Returns quoted are compounded annualised returns based on 30 June 2021 being the valuation date. Returns quoted in *Member Benefit Statements* for the same period are based on unit prices as at 30 June 2021. For an explanation of the difference, please see qsuper.qld.gov.au/investments/how-qsuper-invests/unit-prices.

² Period of objective is set by the Board and forms part of their regular reviews. The above returns and objectives shown are for Accumulation options. Income options where applicable will be similar with one notable difference: Income account (excluding Transition to Retirement Income accounts) returns are not subject to Australian income tax in the retirement phase, while Accumulation account returns are subject to Australian income tax. Transition to Retirement Income accounts are taxed in the same manner as Accumulation accounts. QSuper returns are net of all fees and taxes. ³ The Moderate option of the Income account has met its investment objective. Differences between Accumulation account returns and Income account returns for the same investment option are described in Note 1. ³ The S&P/ASX 200 represents Australia's 200 largest companies listed on the Australian Securities Exchange, selected on the basis of their market capitalisation and liquidity. QSuper does not directly own shares in companies involved in the manufacture of tobacco products, cluster munitions or landmines.

QSuper's Choice investment options have been comparable against peers over the longer term.

Around 30% of our Funds Under Management (FUM) are invested in the Balanced option including funds in the Lifetime Pension product.

As shown in the table below, QSuper Balanced for Accumulation accounts has outperformed the median of other funds over the 10 year period.

Performance over the shorter term for all QSuper's diversified options reflects QSuper's 'risk-balanced' investment strategy. Given the lower allocation to equities, this can result in below peer median returns over the short-term particularly during a period when equity markets have shown exceptionally strong performance. However, this is consistent with our focus on reducing volatility over the long-term and delivering smoother returns with less investment risk and this investment philosophy still continues to be considered in members best financial interests.

In response to the below peer long-term performance of the Socially Responsible option, the Trustee made changes to the investment strategy from 1 July 2020.

These changes included bringing management of the option in-house to apply our risk-balanced investment strategy, resulting in the lowering the standard risk measure and a reduction in investment fees and costs. We also built a portfolio to target social and environmental impact in areas our members told us were important. These changes have resulted in the Socially Responsible option meeting its core investment objective as at 3 June 2021 (see page 5).

To improve transparency and accountability, APRA has published clear and comparable information on performance across returns, fees and sustainability for certain choice products in the inaugural [APRA Choice Heatmap](#).

While at the current time the APRA Choice Heatmap reflects that the Socially Responsible option remains below peer median, the longer term performance relative to peers and Heatmap metrics will not fully reflect the new strategy until it has been in place for 3, 5 and 10 years.

Returns as at 30 June 2021

Investment option	Risk ¹	1-year		3-year		5-year		10-year	
		QSuper return ^{**}	Peer median return ²	QSuper return ^{**}	Peer median return ²	QSuper return ^{**}	Peer median return ²	QSuper return ^{**}	Peer median return ²
Diversified									
Moderate	Low	6.7% ▼	7.9%	4.4% ▼	4.7%	4.5% ▼	4.8%	5.5% ▲	5.4%
Balanced	Medium	13.6% ▼	18.0%	7.7% ▼	7.9%	7.6% ▼	8.7%	8.7% ▲	8.5%
Socially Responsible	Medium to high	14.7% ▼	18.0%	6.6% ▼	8.8%	7.3% ▼	8.8%	7.5% ▼	8.3%
Aggressive	Medium to high	16.5% ▼	23.1%	8.6% ▼	9.3%	9.3% ▼	10.3%	9.9% ▲	9.7%
Single sector									
Cash	Very low	0.1% ▼	0.3%	0.9% ▼	1.0%	1.3%	1.3%	2.0% ▼	2.1%
Diversified Bonds	Low to medium	1.6% ▲	0.6%	4.1% ▲	3.3%	3.0% ▲	2.9%	4.6% ▲	4.2%
International Shares	Very high	32.9% ▲	27.3%	13.1% ▲	12.8%	13.8% ▲	13.7%	11.9% ▼	12.7%
Australian Shares	Very high	25.4% ▼	27.4%	9.3% ▲	9.1%	10.8% ▼	10.9%	9.5% ▲	9.3%

▲ returns above peer median ▼ returns below peer median

[^] Returns quoted are based on 30 June 2021 being the valuation date. Returns quoted in *Member Benefit Statements* for the same period are based on unit prices as at 30 June 2021. For an explanation of the difference, please see qsuper.qld.gov.au/investments/how-qsuper-invests/unit-prices. 3, 5 and 10 year returns are compounded annualised returns.

^{*} Returns shown align with Chant West reporting practices and are net of investment fees and taxes and gross of the Administration fee. As a result, returns will not reconcile with those returns shown on page 5 across the same time period. Returns shown on page 5 are net of all fees and taxes.

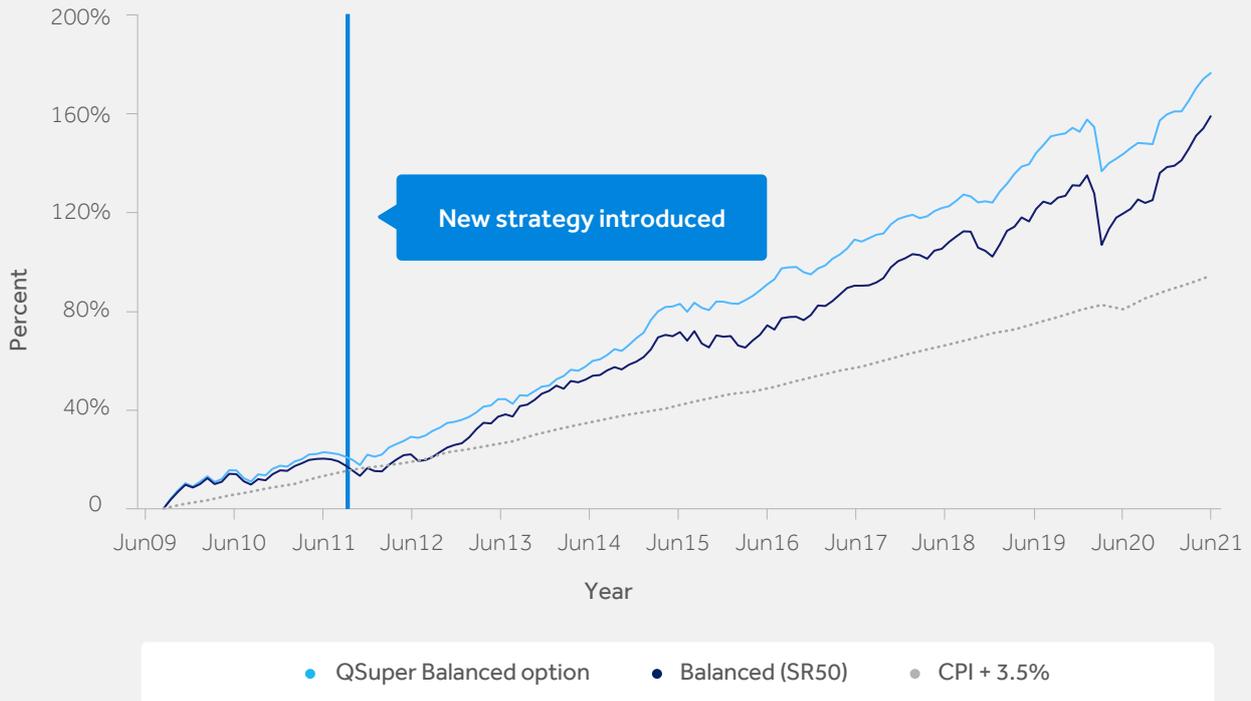
¹ Based upon the Standard Risk Measure. For further details see qsuper.qld.gov.au/srm ² See Appendix 1 for information on data sources and peer groups.

QSuper's investment strategy has delivered a smoother ride

Our unique investment approach is designed to smooth ups and downs, and has delivered for our members over the long term.

The graph below uses the Accumulation account Balanced option to demonstrate how QSuper's [investment approach](#) has delivered stronger returns over the 10 years since it was introduced, compared to a traditional balanced investment option.

Cumulative returns for SuperRatings SR50 Balanced Funds vs. QSuper's Balanced option



Notes: 'Balanced (SR50)' represents the median outcomes for the balanced options of SuperRatings' 50 largest survey participants i.e. the SR50 balanced index. QSuper Balanced is the QSuper Balanced option of the Accumulation account. Returns are net of all fees and taxes. SuperRatings does not issue, sell, guarantee or underwrite this product. Past performance is not a reliable indicator of future performance. Source: SuperRatings

We believe in keeping fees low

We strive to keep fees and costs low and our fees are in the lowest quartile compared to peers for most investment options.¹

When looking across all investment options, our total fees (including administration and investment fees) are below the peer median. We also won the *Money* magazine Best Value MySuper Product for the second year in a row.²

As noted previously, the Lifetime Pension product funds are pooled and are invested in the Income account Balanced option.

Fees for \$50,000 invested in a Balanced option



Fees as at 30 June 2021

QSuper options	QSuper total fees for a \$50,000 account	Comparison with other superannuation fund fees ¹
MySuper investment option		
Lifetime		
Outlook	\$405	Lowest fee quartile
Aspire 1	\$360	Lowest fee quartile
Aspire 2	\$360	Lowest fee quartile
Focus 1	\$315	Lowest fee quartile
Focus 2	\$315	Lowest fee quartile
Focus 3	\$315	Lowest fee quartile
Sustain 1	\$235	Lowest fee quartile
Sustain 2	\$235	N/A ³
Choice investment options		
Diversified		
Moderate	\$ 235	Lowest fee quartile
Balanced	\$ 350	Lowest fee quartile
Socially Responsible	\$ 245	Lowest fee quartile
Aggressive	\$ 390	Lowest fee quartile
Single sector		
Cash	\$ 110	Lowest fee quartile
Diversified Bonds	\$ 285	Lowest fee quartile
International Shares	\$ 130	Lowest fee quartile
Australian Shares	\$ 120	Lowest fee quartile

¹ See Appendix 1 for information on data sources and peer groups. ² *Money* magazine's 2022 Best of the Best awards announced 2 December 2021. *Money* magazine awards are solely a statement of opinion and do not represent a recommendation to purchase, hold or sell this product, or make any other investment decisions. Ratings are subject to change. Go to moneymag.com.au for details of its ratings criteria. Past performance is not a reliable indicator of future performance. ³ Sustain 2 doesn't have an applicable peer group as there are no other MySuper options or lifecycle stages in the industry with very low risk as at 30 June 2021.



Part 2

Assessing the appropriateness of:

- Investment strategy
- Fees
- Options, benefits and services
- Operating costs and scale
- Insurance strategy and affordability.

QSuper's strategies, operations and services are sound

1. Investment strategy

Industry-leading investment strategy

Our default MySuper product, [QSuper Lifetime](#), reflects the view that 'one size fits all' is not appropriate for members of different ages and account balances, and automatically adjusts default members' investments accordingly. The QSuper Board has concluded its [unique investment strategy](#) acts in the best financial interests of members.

In line with its governance responsibilities, the Board will continue to regularly review the appropriateness of the investment strategy going forward.

2. Options, benefits and services

Choice and flexibility that matters

QSuper aims to provide members with the best possible retirement outcomes, and that requires high-quality and flexible support services. We provide members with a seamless interaction with QSuper in their channel of choice – either in person or over-the-phone through our in-house Member Services team, or online using Member Online. In addition, members can attend seminars online or face-to-face. For members wanting to take control over how their super is invested, we offer our Self Invest option. While utilisation of channels do vary from year to year, members are continuing to use these products and services to assist them in managing their super.

To support members during COVID-19, QSuper added more member services officers and extended our contact centre hours to 8am-6pm to make sure we were there when our members needed us the most. In the 2020-21 financial year, member education seminars went online, with education officers hosting 102 online seminars for almost 19,000 viewers across Queensland, interstate, and overseas. They also supported our members at work, by delivering both digital and COVID-safe face-to-face activities.

We believe that the options, benefits and services offered to members are appropriate and do not detrimentally impact fees and member returns.

These options and services helped us to be continually recognised as a leading fund delivering superior retirement outcomes for members as reflected in our recent awards.¹

- Money magazine Best Value MySuper Product 2022 (second year in a row)
- SuperRatings – 2022 Pension of the Year (fourth year in a row)
- SuperRatings – 2022 Smooth Ride award (third year in a row)

Item	2019-20	2020-21
Contact centre (# of calls)	427,321	410,249
General advice over the phone (# of pieces of advice)	40,804	45,185
Member Online (# of members logging in at least once)	~311,000	~370,000
Member mobile app (# of members logging in at least once)	N/A	~68,000
Statements of advice that include Intrafund Advice (phone, online ² or face-to-face) ³	22,888	12,214
Seminars, digital education and events (# of attendees)	84,177	82,653
Self Invest (# of members invested)	4,129	4,917

¹ Based on awards received from SuperRatings and Money magazine. For further information refer to qsuper.qld.gov.au/about/awards. These awards are solely statements of opinion and do not represent a recommendation to purchase, hold, or sell any securities, or make any other investment decisions. Ratings are subject to change. Ratings, awards, or investment returns are only one factor that you should consider when deciding how to invest your super. Past performance may not be a reliable indicator of future performance. ² Note that online advice was taken offline due to vendor issues in February 2020. Since relaunching in January 2021 online advice volumes have increased in-line with expectations. ³ Comprehensive advice was ceased for new clients from 6 July 2020. Existing comprehensive advice clients were able to continue to be serviced for the remainder of their agreement.

3. Fees

Simple, transparent, competitive fees means more money for members' retirement

As a profit-for-member super fund, our interests are aligned with our members, not shareholders. Reflecting this, we are constantly looking for ways to keep our fees low (see page 8).

The QSuper Board believes it is in the best interests of members not to charge account transaction fees:¹

- \$0 – Transaction fees
- \$0 – Fixed weekly fees
- \$0 – Withdrawal fees
- \$0 – Investment switching fees
- \$0 – Buy-sell spread fees.

We have progressively lowered our administration fee, from 0.22% p.a in 2014-15 to 0.16% p.a today. The QSuper Board believes the current administration fee structure and level of 0.16% p.a of account balance (capped at \$900) is delivering value for money for members. It is acknowledged members with a higher balance will pay a higher administration fee than members with a low account balance. Members with lower balances are likely to be younger members who use services less than those approaching retirement.

4. Operating costs and scale

Operating costs are appropriate

With a profit-for-purpose ethos, we make business decisions that grow and improve our business for the benefit of our members. Our operating expenses have grown at a lower rate to funds under administration² (FUA) – \$133 billion as at 30 June 2021. The Operating Cost Ratio is below peer average and trending downwards.³

Our size brings opportunities that benefit members

- Our large scale of FUA² and high proportion of liquid assets (26.5% as at 30 June 2021) ensures the Fund is in a strong position to take advantage of attractive investment opportunities.
- We have a strong ability to attract and retain high-quality staff.
- Our scale affords us a strong ability to negotiate for the highest levels of automatic insurance cover for members.
- We have strong bargaining power, allowing access to leading suppliers and ability to negotiate terms.

We are currently pursuing a merger with Sunsuper and it is expected that this would increase the scale of our operations further.

5. Insurance strategy and affordability

Protecting our members with flexible cover⁴

QSuper believes that ensuring members are adequately funded for retirement must include protecting them and their dependents against the risks that could impact their retirement saving capability. This includes protection against loss of income due to illness, injury, early disability or death.

Our approach is to provide meaningful levels of default cover at a reasonable cost while giving members the ability to personalise cover to suit their individual needs. We offer default death and total and permanent disability cover, and many members also automatically receive income protection cover. QSuper has elected (under the Dangerous Occupations Exception) that members employed by the Queensland emergency services be provided with automatic default insurance regardless of if they are under age 25 and their Accumulation account balance hasn't reached \$6,000 (Putting Members' Interests First requirements).⁵ This includes all employees of Queensland Fire and Emergency Services, Queensland Police Service and Queensland Ambulance Service.

We apply a member-centric holistic approach to claims management to support our members and their families in their time of need. Cover is highly valued by QSuper members with 62% of Accumulation account members holding insurance.

Appropriate automatic cover for our membership

Protecting our members requires a focus on value not just cost which is why we provide high levels of automatic cover, supported by sustainable premiums with the ability to personalise cover.

QSuper conducts regular pricing reviews to assess the impact of default insurance premiums on our members retirement savings. In January 2021, we made premium changes to ensure we can continue to pay claims into the future. As at 30 June 2021, when the last review was completed, QSuper assessed default insurance premiums to be appropriate for our members.

¹ Excludes the Self Invest option. ² FUA includes the retirement funds managed by QSuper and employer-sponsor receivables for Defined Benefit members managed and held by Queensland Treasury. ³ Peer average is based on funds with FUA greater than \$25 billion. Source: APRA Annual Statistics as at 30 June 2021, apra.gov.au/annual-mysuper-statistics ⁴ Eligibility conditions and criteria apply for eligible Accumulation account members only. ⁵ Terms and conditions apply. See *Accumulation Account Insurance Guide* for details.



Annual determination

Annual determination as at 30 June 2021

Accumulation account product determination

Based on the analysis performed above the QSuper Board has determined that;

- The fees, risk and return of the Accumulation account product compare well to peers (including MySuper investment options).
- With reference to the beneficiaries of the Accumulation account product:
 - The investment strategy, including the level of investment risk and return target, is appropriate
 - The basis for the setting of fees is appropriate
 - The options, benefits and facilities offered are appropriate
 - Operating costs are not inappropriately affecting financial interests
 - The scale of the Trustee's business operations is not causing disadvantage
 - The insurance strategy is appropriate and does not inappropriately erode retirement income

And therefore, the financial interests of the beneficiaries of the Accumulation account product are being promoted by the Trustee.

Income account product determination

Based on the analysis performed above the QSuper Board has determined that;

- The fees, risk and return of the Income account product compare well to peers.
- With reference to the beneficiaries of the Income account product:
 - The investment strategy, including the level of investment risk and return target, is appropriate
 - The basis for the setting of fees is appropriate
 - The options, benefits and facilities offered are appropriate
 - Operating costs are not inappropriately affecting financial interests
 - The scale of the Trustee's business operations is not causing disadvantage

And therefore, the financial interests of the beneficiaries of the Income account product are being promoted by the Trustee.

Lifetime Pension product determination

Based on the analysis performed above the QSuper Board has determined that;

- The fees, risk and return of the Lifetime Pension product compare well to peers.
- With reference to the beneficiaries of the Lifetime Pension product:
 - The investment strategy, including the level of investment risk and return target, is appropriate
 - The basis for the setting of fees is appropriate
 - The options, benefits and facilities offered are appropriate
 - Operating costs are not inappropriately affecting financial interests
 - The scale of the Trustee's business operations is not causing disadvantage

And therefore, the financial interests of the beneficiaries of the Lifetime Pension product are being promoted by the Trustee.



Appendix 1

Part 1 includes a comparison of return and total fees¹ associated with our MySuper and each of our Choice investment options separately.² For our MySuper option 'Lifetime', comparisons are made for each lifecycle stage. Returns and fees are compared to the median for a reasonable peer group as noted below:

Classification	Grouping	Name of option / lifecycle stage	Peer group	Data source
MySuper	Lifecycle stages	Outlook	MySuper investment options and Lifecycle stages with the same Standard Risk Measure (SRM) ³	APRA Quarterly statistics (as collated by Chant West for 1, 3 and 5 year returns only. ⁴)
		Aspire 1 and 2		
		Focus 1, 2 and 3		
		Sustain 1 and 2		
Choice	Diversified	Balanced	Diversified options with a similar % of growth assets	Chant West ⁴
		Moderate		
		Aggressive		
	Single sector	Socially Responsible (SR)	Sustainable investment options	Chant West ⁴
		Cash	Single sector options within the same sector (e.g. Cash)	Chant West ⁴
International Shares				
Australian Shares				

Part 2 of the assessment determines whether additional services associated with our Accumulation, Income and Lifetime Pension products and default insurance offering for the Accumulation product are affordable and appropriate to the members holding those products. In most instances the additional services we offer are consistent between Accumulation, Income and Lifetime Pension account holders, so this analysis is performed only once for each area.

1 Total fees comprise the administration fee (see page 10), investment fee and indirect cost ratio. These are based on the fees and costs for 2020-21 and may differ from future fees and costs. There are other costs such as operating costs of property investments that are not included in total fees but are reflected in the unit prices, and the calculation of the net earnings. **2** Excludes Self invest. See page 9 for information on Self invest. **3** For further details see qsuper.qld.gov.au/srm **4** Chant West's Member Outcomes Dashboard, data ending 30 June 2021 accessed 20 October 2021. © Zenith CW Pty Ltd ABN 20 639 121 403 (Chant West), Authorised Representative of Zenith Investment Partners Pty Ltd ABN 27 103 132 672, AFSL 226872 under AFS Representative Number 1280401. The data provided by Chant West is based on information supplied by third parties and does not contain all the information required to evaluate the nominated service providers, you are responsible for obtaining further information as required. The data provided by Chant West does not constitute financial product advice. However, to the extent that this data is advice it is General Advice (s766B Corporations Act) and Chant West has not taken into account the objectives, financial situation or needs of any specific person who may access or use this data. It is not a specific recommendation to purchase, sell or hold any product(s) and is subject to change at any time without prior notice. Individuals should consider the appropriateness of any advice in light of their own objectives, financial situations or needs and should obtain a copy of and consider any relevant PDS or offer document before making any decision. Data is provided in good faith and is believed to be accurate, however, no representation, warranty or undertaking in relation to the accuracy or completeness of the data is provided. Data provided is subject to copyright and may not be reproduced, modified or distributed without the consent of the copyright owner. Except for any liability which can not be excluded, Chant West does not accept any liability whether direct or indirect, arising from use of this data. Past performance is not an indication of future performance. Full details regarding Chant West's research methodology, processes, ratings definitions are available at chantwest.com.au and *Chant West's Financial Services Guide* is available at chantwest.com.au/financial-services-guide



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Please note that from 28 February 2022, the QSuper products are issued by Australian Retirement Trust Pty Ltd (ABN 88 010 720 840, AFSL 228975) as trustee for Australian Retirement Trust (ABN 60 905 115 063). Any reference to "QSuper", from that date, will be a reference to the Government Division of Australian Retirement Trust.

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