

Default Investment Applications The QSuper Experience

May 2019



Who is QSuper?

<https://qsuper.qld.gov.au/>

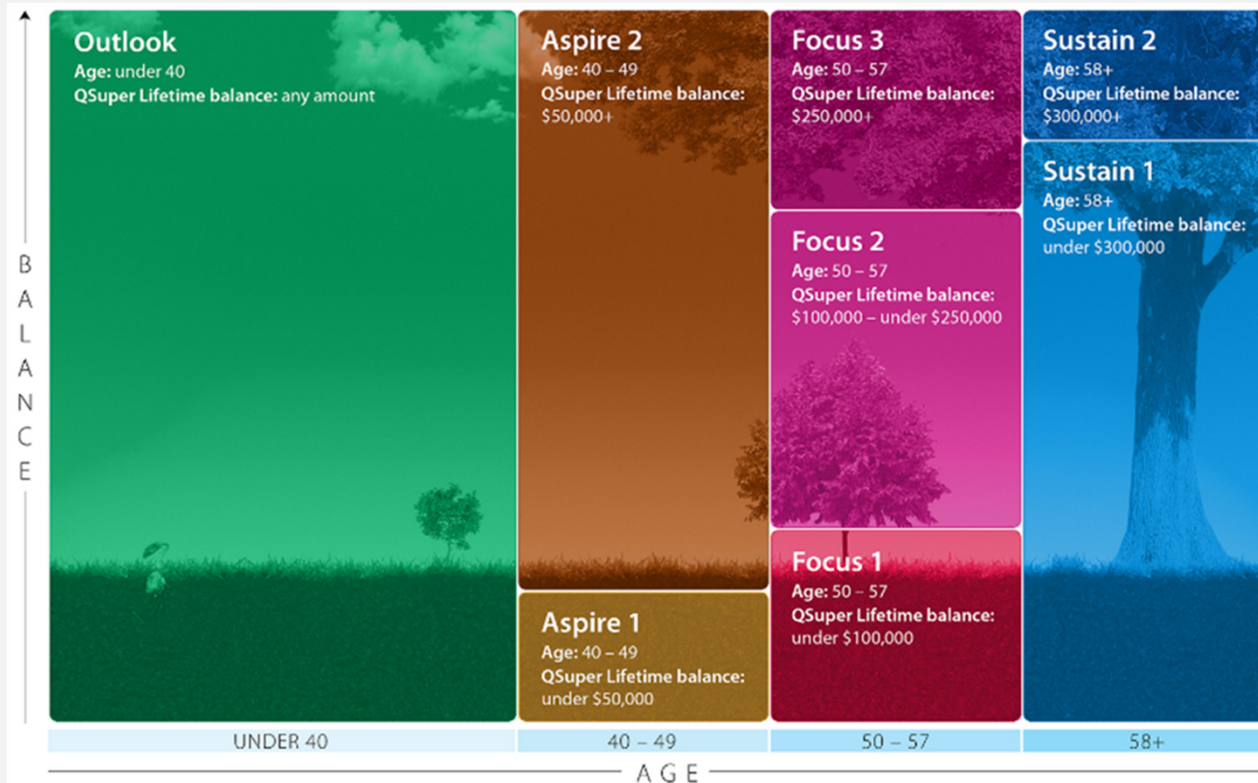
Background

- Australia has a 3-pillar approach to retirement incomes:
 - Age Pension
 - Compulsory private savings
 - Voluntary private savings
- The superannuation system operates on a defined contribution **not** defined benefit basis
- All risks are borne by the individual
- Member response
 - Theory versus Reality

The Problem

- Trustees have a **fiduciary** duty to act for default members so...
- *How can we design appropriate investment solutions?*
- Issues to consider (not exhaustive)
 - Legislative: age and account balance, contribution rate, current salary, gender, term to retirement
 - Technological: scalability of solution
 - Data: availability, quality and frequency
 - Communication: in/external stakeholder value proposition
 - Performance: measure/s of success

Our solution – QSuper Lifetime



Never designed to be the final answer

Never intended to be perfect

But we started

What next?

How can we improve Lifetime?

Build more cohorts?

Continuous improvement

- Review
 - Validate outcomes against expectations
 - Leverage accumulated evidence base to enhance arrangements
 - Retest and/or reconfirm assumptions
- Personalisation
 - Cohort of one paradigm
- Development challenges
 - Scalability
 - Decision-making
 - Communication

Development Tools

Demonstration

Next Steps

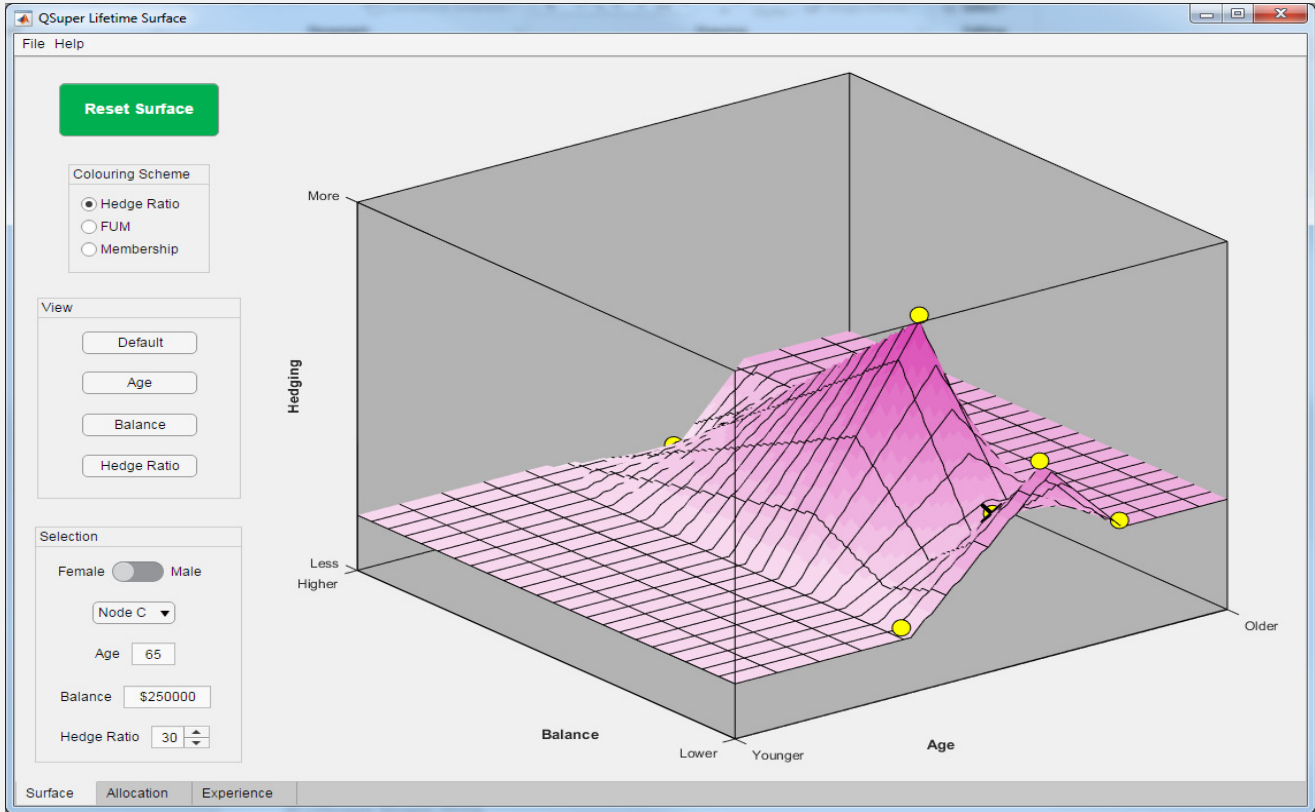
- Embedding philosophy across Group
 - Sharing principles, processes and applications more broadly
- Maintaining organisational focus and interest
 - Communicating the **why** is often more important than the **what** or **how**
- Continuing to build out the monitoring and reporting suite
 - Fit-for-purpose tools facilitate doing different things and/or doing things differently

Questions?

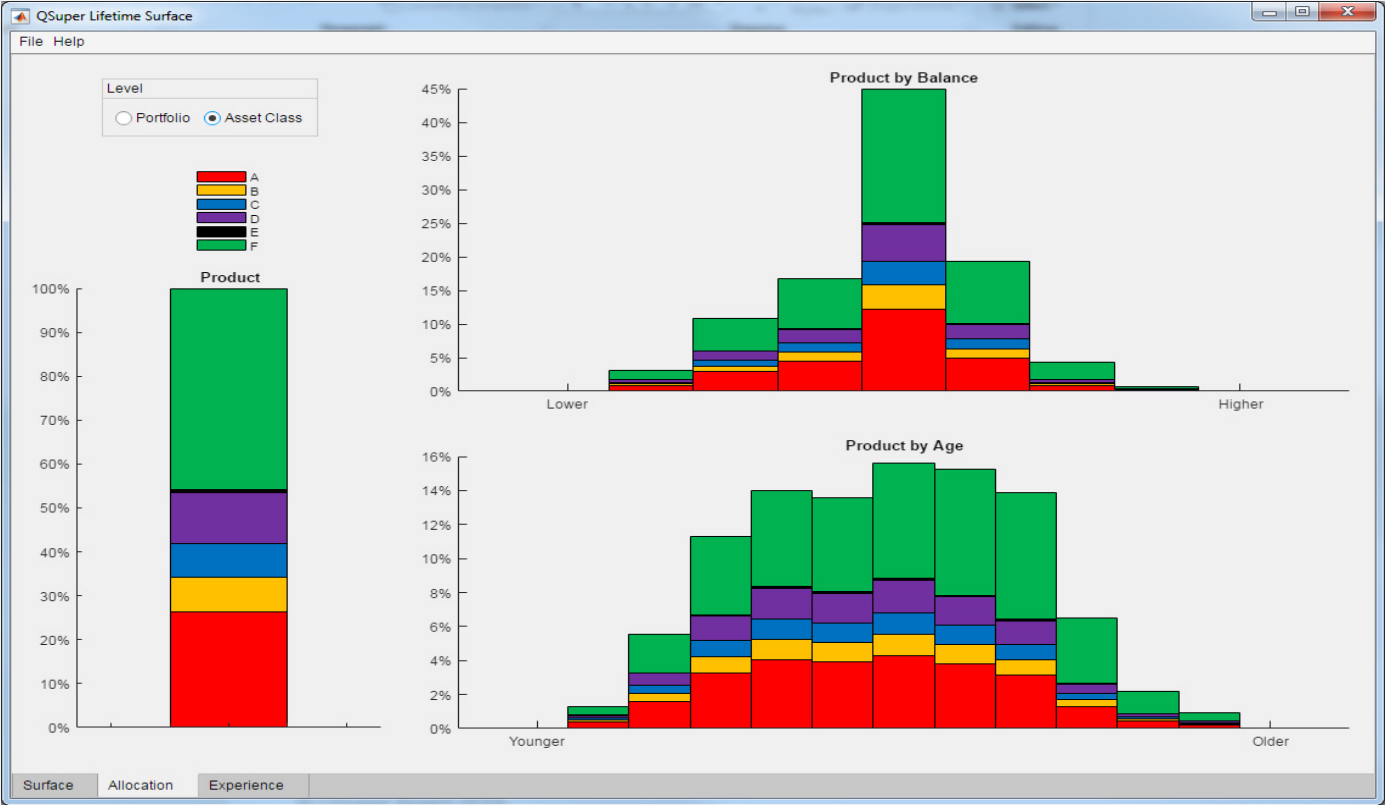


QSuper

Development Tools



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