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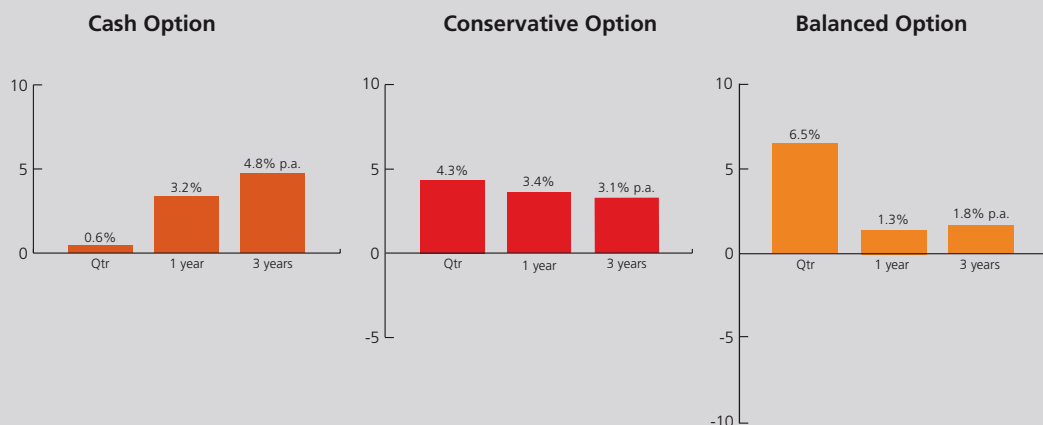
Superannuation Update

November 2009

Credited Interest Rates (CIRs) – periods to 30 September 2009

Note:

The Credited Interest Rates shown in these graphics are the actual rates credited. CIRs can go up or down. Past performance may not be a reliable indicator of future performance. These rates do not apply to Division 9 or Division 14 members – see the table on the right.



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Investment Performance

The CIRs for the Growth (default) Option for the periods to 30 September 2009 were:

- +8.1% for the quarter
- -1.0% for 12 months
- +0.4% p.a. for 3 years
- +6.0% p.a. for 5 years.

Investment Update

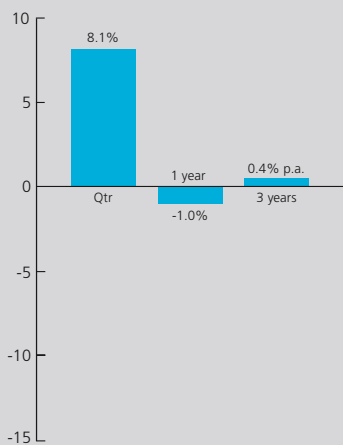
The share market rally which began in March 2009 extended into the second half of 2009 as improving economic indicators reflected the continuation of economic growth. Against this background, Australian Equities rallied 21.0% over the September quarter which was the largest quarterly gain in 22 years. The Australian share market has now rallied over 50% from its low in March 2009 but remains 24.0% off its pre-global financial crisis high reached in November 2007. The Australian dollar rallied 5.4% against the currencies of its major trading partners and by almost 10% against the US dollar due mainly to rising commodity prices and improving investor sentiment. International Equities (unhedged) rose 7.5% as a result of the US Federal Reserve's encouraging comments on near-term growth prospects and increased corporate takeover activities.

In Australia, GDP for the June quarter surprised on the upside, rising 0.6%, and was a contributor to the Reserve Bank of Australia's decision on 7 October 2009 to increase the cash rate to 3.25% (from 3.00%). This move was in contrast to some of the bigger economies in the centre of the global financial crisis, such as the US, the UK and parts of Europe, where interest rates are expected to remain at low levels for quite some time.

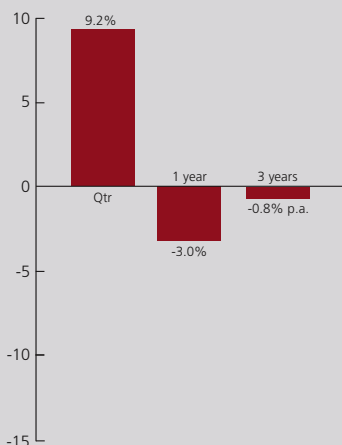
Positive economic data began to emerge from the US, with the manufacturing sector beginning to expand, house prices appearing to stabilise and the US Federal Reserve upgrading its assessment of the economy. Unemployment did however continue to rise. The Japanese economy grew at 0.6% for the quarter, and the Tankan business survey highlighted improving business conditions.

Chinese economic growth accelerated during the June quarter, and the Asian Development Bank upgraded its forecast for China's economic growth in 2010. The European recovery is being led by the Euro-Zone's two largest economies, Germany and France. The European Central Bank kept interest rates on hold and is expecting a very gradual recovery. Finally, the UK economy began to show signs of revival. Despite a contraction in GDP during the June quarter, the magnitude was less than expected.

Growth Option



Aggressive Option



The monthly CIRs over the last quarter have been:

	Cash Option	Conservative Option	Balanced Option	Growth Option	Aggressive Option
Jul 09	0.21%	1.73%	2.78%	3.53%	4.07%
Aug 09	0.21%	1.44%	2.00%	2.39%	2.66%
Sep 09	0.19%	1.11%	1.60%	1.95%	2.20%

For Division 9 and Division 14 the monthly CIRs have been:

	Cash Option	Conservative Option	Balanced Option	Growth Option	Aggressive Option
Jul 09	0.25%	1.96%	3.12%	3.95%	4.54%
Aug 09	0.25%	1.67%	2.28%	2.70%	3.00%
Sep 09	0.22%	1.27%	1.82%	2.21%	2.48%

Investment Strategy

Each investment option comprises return seeking assets and risk controlling assets in different proportions so as to provide alternative investment options with different risk and return expectations. The investment review has updated the objectives and characteristics of each investment option, but these are largely unchanged.

From early October 2009 some minor changes have been made to simplify the asset sectors within the return seeking and the risk controlling categories. These categories now include:

Return Seeking Assets	Risk Controlling Assets
Australian Equities	Cash
International Equities	Fixed Interest
Return Seeking Alternatives (including infrastructure, private equity, global macro hedge funds, listed property, emerging market debt and high yield debt).	Risk Diversifying Alternatives (including diversified hedge funds and lower risk unlisted property).

The investment strategies continue to be managed on the basis that:

- The investment of all assets are consistent with the Trust Deed and law;

- A wide range of investment managers are used to reduce the reliance on any single investment manager, and no more than 20% of the Plan's assets are invested with any single manager;
- A wide range of individual assets or securities are used, and no holding in any asset or security exceeds 10%;
- No derivatives are used directly by the Trustee. Investment managers are permitted to use futures, options or other derivatives, but they are not permitted to gear the portfolio;
- The Trustee has regard for the liquidity position of the Plan to ensure that sufficient assets are available to meet benefit and other payments;
- In delegating the responsibility for specific investment decisions to investment managers, the Trustee does not impose specific requirements on labour standards or environmental, social or ethical considerations. The investment managers may or may not take these considerations into account when making investment decisions.

The Trustee will continue to closely monitor the investment performance of the investment options against the investment objectives and strategies, and will continue to provide investment information to members in the Annual Report, quarterly newsletters and other publications.

Important note

The items in this newsletter have been provided for information only. Any decisions you may make on any of these matters should have regard for your personal circumstances and tax position, and we strongly recommend you seek professional financial planning advice to assist you making decisions about your options in the Plan.

Distribution of the Investment Fluctuation Reserve (IFR) ▲

The Trustee maintains an Investment Fluctuation Reserve (IFR) across the entire Plan. The IFR captures any deviations between the actual investment returns of the Plan and the declared Credited Interest Rates (CIRs) credited or debited to member's Accumulation benefits and the assets supporting the Defined Benefit liabilities.

At the Trustee's Board meeting held on 15 October 2009, the Trustee resolved that the IFR should be fairly distributed between Accumulation and Defined Benefit members. Accordingly, the CIR for October 2009 was increased by the following amounts to reflect this IFR distribution:

Investment Options	Non Income Stream Members	Income Stream Members
Cash	0.00%	0.00%
Conservative	0.04%	0.05%
Balanced	0.10%	0.11%
Growth	0.14%	0.17%
Aggressive	0.18%	0.21%

The highest distribution was made to the Aggressive investment option as it has the highest proportion of return seeking assets which were impacted the most by the deviation from its strategic asset allocation.

The Interim CIR for October 2009 was also adjusted so that members who left the Plan on or after 16 October 2009 but before the October CIR was known and applied would also share in this distribution.

The Trustee continues to monitor the IFR on a regular basis, and may fairly distribute any amounts that arise, whether positive or negative.

2009 Annual Report – the highlights ▲

In the 2009 Annual Report, the Chairman commented:

"I am pleased to present this annual report to members after a most challenging year for superannuation. The Qantas Superannuation Plan ('the Plan') has fared relatively well during the sharp declines in investment markets. Our strong governance processes and the diligent work by the team have positioned us well looking forward.

The prime focus for the Trustee during 2008/2009 has been:

- Maintaining our focus on prudent investment management throughout the year, including a full review of the Plan's investment strategy;
- Ensuring the Plan remains in a healthy financial position;
- Increasing our focus on member services, through the establishment of the Member Services Committee; and
- Retaining a clear focus on risk management practices."

The 2009 Annual Report is available on the website and hard copies will be available to members soon.

Group D Trustee Election Result ▲

An election was held for the Group D Member Director of Qantas Superannuation Limited and four candidates nominated for the position. PricewaterhouseCoopers, the independent Returning Officer, have advised that the candidate with the most votes was Kash Gillies.

The Trustee congratulates Mr. Gillies on his re-election.

Mr. Gillies' four year term commenced on 22 October 2009.

Transfers to Division 6 – What's occurring?

Qantas Airway Limited (the Company) recently announced changes to superannuation policy. The changes include a new superannuation Choice of Fund policy and the ability for members of Divisions 1, 2 and 3 to transfer to Division 6 at their request.

These changes to the Company policy will take effect from 1 December 2009 (originally scheduled for 1 November 2009).

Prior to 1 December 2009:

Prior to 1 December 2009, transitional arrangements are in place for members who wish to transfer to Division 6. During the transitional period, the Company contribution rate will continue as the current Company contribution rate used for Choice of Fund purposes.

Post 30 November 2009:

Where a request to transfer to Division 6 is received on or after 1 December 2009, the Company contribution rate will be limited to 9% or 10% (depending on your EBA), calculated on your Superannuation Salary or Ordinary Time Earnings (OTE) Salary (which ever is the greater) and capped at the maximum superannuation contribution base which is \$40,170 per quarter in the 2009/2010 year.

What is Division 6?

Division 6 is the Plan's open Division available for permanent Qantas staff. It is an accumulation style superannuation arrangement where members can accumulate a benefit through contributions (Company and member contributions), plus earnings (positive and negative), less fees and cost.

Further information:

Information regarding the Company's Superannuation Policy changes is available from Qantas PeopleConnect on **1300 303 411**. Information on Division 6 is available from the Product Disclosure Statement or by calling **1300 654 384**.

Further details on the Division 6 Transfer are available on the Plans website at www.qantassuper.com.au

Nominating a Beneficiary

The Plan provides a mechanism where members can nominate a beneficiary or beneficiaries and nominate the proportions they would like their death benefit paid. **These nominations are not binding on the Trustee.**

It is the Trustee's responsibility under superannuation law and the Plan's Trust Deed to determine whom a death benefit is paid to and in what proportions. Although the Trustee has absolute discretion on who to pay and in what proportion, the member's nominations are used as a guide to the deceased's wishes.

When the Trustee is notified of a death, a search is undertaken to identify any potential beneficiaries in addition to anyone already nominated. All potential beneficiaries will be contacted to determine their eligibility and advised of the process. Once the Trustee finalises a decision, all potential beneficiaries are notified of the decision.

Who can I nominate?

Generally the Trustee can only pay a death benefit to your dependant or your legal personal representative. A dependant can be:

- your spouse,
- your children,
- a person who is financially dependant on you; or
- a person who had an interdependent relationship with you.

Details on these relationships are available in the Trust Deed, the current Product Disclosure Statements and the September 2009 Superannuation Update.

To ensure that your nomination is valid, the person you nominate should satisfy the definition of dependant.

How to nominate a beneficiary

There are two ways to make a nomination or to update your existing nomination:

1. Complete a Nomination of Beneficiary Form and return it to the Plan; or
2. Lodge your nomination through the Plan's secure Member's Area of the website.

Keeping your Nomination of Beneficiary(s) up to date is important as this will provide the Trustee with a guide of your current wishes.

Copies of the Nomination of Beneficiary Form can be downloaded at www.qantassuper.com.au or you can request a copy by calling **1300 654 384**.

Tips for Members

- Nominate who you want to receive your death benefit.
- Keep your nomination up to date, especially if your wishes or personal situation change.
- Let the Plan know if you have several dependants. You can explain your wishes for each of them, which is far more helpful than giving the Plan no guidance at all.
- Explain your wishes to your dependants, to help prevent any disputes after you die.
- Talk matters over with people who may need to prove their financial dependence on you.
- It can help to draft written agreements or keep records, about the support you were giving them, in case they need to prove their claim.

How are enquiries to the Plan managed? ▲

All your superannuation enquiries can be addressed by contacting that Plan directly either by:

- Telephone – **1300 654 384** or **(02) 9374 3930**; or
- Email – info@qantassuper.com.au.

By contacting the Plan directly you will ensure that your enquiry is logged in the Plan's case management system and it can be answered quickly and accurately.

The staff who will respond to your enquiry have been trained to answer general superannuation matters and also matters

specific to the Plan. If the first person to answer your call cannot address your query in full, they will escalate it to the appropriate person. You should get a response to your email within three to five business days.

We are confident that your questions can be dealt with through this process. If you are not satisfied with either the response or service, the Plan has a dispute resolution process which is outlined in full on the Plan's website.

What's new on the web ▲

Our website continues to be updated with information to help you to manage your superannuation. Recent additions to the site include:

- A new Plan Investment Summary. Developed in order to provide you with detailed information about how the Plan's investments are managed. It is available from the Policies section;
- Updated Product Disclosure Statements across all open Divisions;
- The establishment of a secure website for Division 9 and 14 members;
- A Division 6 Modeller, available to members of Division 1, 2 and 3. The Modeller is a projection tool for members considering transferring to Division 6.
- The Introduction of a Concessional Contribution Calculator; and
- Regular updates on Investments and the Plan's performance.

To keep up to date, visit the Plan's website – www.qantassuper.com.au.

Contact details ▲

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