super update

September 2015

CEO Jane Perry

talks about new features for you

We spend time talking with and listening to many of you, through workshops, meetings, surveys, feedback from the Helpline and our information booths that we've held across the network.

We use this feedback to help us determine future initiatives, while considering the likely cost of developing those initiatives for members, and how much of a difference they'll make to your super in the long term.

So, with all this in mind, I'm really pleased to share with you some exciting developments which will come into effect from 1 October 2015.

A new investment option to support changing needs of members

To give you another way to manage your super, we're introducing a new investment option called Glidepath, which is designed to support the changing needs of members throughout life's investment journey. Glidepath has four investment stages – Take-Off, Altitude, Cruising and Destination – and members are allocated to the relevant stage based on their age group. Some of you may be transferred to Glidepath automatically.

A new retirement Income Account in Gateway

We're also introducing a new, enhanced retirement solution for members. Our new Income Account in Gateway will provide our retirement members greater flexibility, more investment choices, and a more competitive fee structure.

More flexibility with investment options

Some of you have been asking for the opportunity to choose multiple investment options at the same time. So we're introducing the capability for you to select a mix of options in which to invest your super.

We've also made some improvements to our insurance offer, and will bring you a refreshed website that will make it easier for you to find the information you need.

I encourage you to read this edition of *Super Update* – as well as the enclosed *Investment updates* and *Insurance updates* – to find out more about these changes that will happen later this year. Happy reading!

New website coming your way!

We've spent some time this year refreshing the front end of the website to make it easier for you to find information – no matter what device you use to access it.

We've looked at how you use the website, and how we can set out the information in a way that makes sense. We've also taken the opportunity to develop it so that it works more effectively on your smartphone and tablet. The change won't impact the secure member login part of the website (that is, the part that you log into); it's simply the site that's publicly visible. The new site will go live in October.

> Easier for you to find information – no matter what device you use.

What's inside

QANTAS SUPER

A member talks about Best Doctors

Sydney-based Qantas Super member, Alice*, approached Best Doctors after experiencing a range of debilitating symptoms for which there was no real diagnosis.

Earlier this year, Alice began experiencing extreme tiredness, significant pain in her joints and swollen glands. She sought advice from her GP who referred her to an immunology specialist. Blood tests and scans identified some aberrations, but nothing that could help her GP and specialist reach a clear diagnosis beyond the generic "virus", for which pain management was the only treatment.

"I was struggling at home and at work. I had to take more than three weeks off work – I could barely walk at times and the pain was severe.

"The hardest thing for me was realising that there was no definitive diagnosis and no long-term treatment plan to get me back to myself," Alice said.

After three months of these symptoms, Alice approached Best Doctors, a free medical second opinion service available through Qantas Super.

"Best Doctors collected my medical history, including test results, from my doctor and specialist. I was a little worried at first that my doctor, who's brilliant, would be offended because I was seeking help elsewhere. But she was very happy to participate because it would help her as well."

Best Doctors sent her file to a specialist in New Hampshire in the USA. The specialist reviewed all the history and results, and sent back a report with comprehensive answers to her questions, as well as suggestions for further tests and a recommendation to refer Alice to a rheumatologist.

"As a result, I've scheduled an appointment with a local rheumatology specialist. Thanks to Best Doctors, I have a plan, and a possible way of addressing this medical condition, whatever it is," Alice said.

"And I know I can access Best Doctors again for more follow up if I need more answers."

* Alice has been a Qantas Super member since 2013. She's asked us to use a pseudonym for privacy reasons.

Great news

Some of you have asked whether Best Doctors extends to your parents. We're pleased to announce YES — your parents and your in-laws can now also access the service!

Best Doctors 1800 388 097

World medical experts helping Qantas Super members

"We're fortunate to be able to offer Best Doctors through our partnership with our insurer..."

Dimity MacDonald
Head of Member Services

More than 33 cases have been opened with Best Doctors, the expert medical advice service that's free to Qantas Super members, their partners, children (including step children), parents and parents-in-law. Best Doctors seeks to provide expert support and guidance for you and your treating doctors, ensuring that you get on the right clinical path – first time.

Qantas Super members and their families have sought advice from Best Doctors on a wide range of illnesses, including dermatitis, acute lymphadenitis, epilepsy, skin and lung cancers, degenerative conditions, blood disorders, relapsing fevers and pulmonary heart disease.

Qantas Super's Head of Member Services, Dimity MacDonald, said: "We're fortunate to be able to offer Best Doctors through our partnership with our insurer, MLC. Whether you'd like a second opinion from a world leading expert or have key questions about your condition, Best Doctors has a service to help. Whilst Best Doctors deals with most conditions, injuries and illnesses, orthopaedic cases such as back pain, hips, shoulders and knees, are some of the most common that they review.

> It's important to note that there is no limit to the number of times you can access Best Doctors, and all interactions are confidential.

Best Doctors Relationship Manager, Bryony Crouch, who has held information booths for Qantas Super members in Melbourne, Sydney Domestic Terminal and Perth Domestic Terminal, said people often wondered whether they'd offend their treating specialist.

"These days, it's virtually impossible for any doctor to stay informed of all of the evolving techniques and medications. Sharing your Best Doctors findings with your doctor gives them crucial information to help decide the best treatment for you," Bryony said.

Key reasons to use the Best Doctors service

Here are some reasons people give for ringing Best Doctors:

- Condition isn't improving (61%)
- Need help deciding on a treatment (75%)
- Doubts about recommended surgery (31%)
- Confirmation of diagnosis (76%)
- Doubts about information received from their specialist (54%)
- To have a better understanding of their medical condition (45%)

For more information, go to the Best Doctors page on www.qantassuper.com.au

We are bringing you a **new** retirement solution

You've been asking for a better retirement offer – and we've listened.

From 1 October 2015, we are launching a new retirement product, with additional features, in our Gateway division. It will replace Divisions 9 and 14.

This initiative will make Gateway a 'whole of life' product to support you throughout your career and into retirement, even if you're no longer working for the Qantas Group[1].

When you're ready to retire or approaching retirement (and are eligible to access your super as an income stream), you can open an Income Account in Gateway, and convert your super into regular income payments. (Conditions apply – please read the *Gateway Product Disclosure Statement*, available on the website on 1 October 2015).

All current Qantas Super members in Divisions 9 and 14 will be automatically transferred to an Income Account in Gateway from 1 October 2015. If you're currently in Division 9 or 14, you should have received a letter with more details about this change, and what it means for you. If you haven't received your letter, please call the Helpline on 1300 362 967.

Features of an Income Account in Gateway include:

- **Significantly lower administration fees**[2] than most members in Divisions 9 and 14 currently pay;
- Ability to select **more than one investment option** at a time;
- Access to the new **Glidepath investment option**;
- Ability to **change the frequency** of your income payments, subject to you receiving at least one payment a year. (Currently in Division 9 and 14, payments can only be made monthly.) With an Income Account in Gateway, you'll be able to choose between fortnightly, monthly, quarterly, half-yearly, or yearly payments – it's your choice;
- **Online withdrawals**, making it easier to access your money; and
- Ability to make a **reversionary binding nomination** in favour of your spouse or dependant child. This means that if you die before your account balance runs out, your spouse or dependant child can continue to receive your income payments until your account reaches zero, unless they choose to withdraw it as a lump sum. Conditions apply.

If you'd like to read more about the new retirement product, please read the *Gateway Product Disclosure Statement*, which will be available on our website from 1 October 2015.

[1] Qantas Airways Limited and associated employers
[2] This will not be the case for Division 9 and 14 members whose account balances are under $19,000 (approx.).

Super snippets

Changes to pensions in federal budget 2015–2016

From 1 January 2017, the asset free area for pensioners will increase, allowing around 170,000 pensioners with moderate assets to receive a full or increased pension. At the same time, the asset test taper rate will increase from $1.50 to $3. This means for every $1,000 of assets over the asset free threshold, the pension rate will reduce by $3 a fortnight.

Currently, pensioners with substantial assets can still get a part pension.

Without changes, a single homeowner could hold assets up to around $800,000 and couple homeowners could hold assets up to around $1.2 million, in addition to their family home and still be eligible for a part pension.

As a result, the Government has decided not to proceed with the 2014 Budget measure to index pension and pension equivalents by CPI.

Source: *The Commonwealth of Australia*

12 month rule for portability requests no longer applies to Gateway

Members of Gateway can now transfer all or part of their Super Account balance to another super fund at any time. If making a partial transfer, Gateway members must ensure the total account balance remaining in Gateway after the transfer is at least $5,000. An exit fee of $114.50[3] applies to each withdrawal.

For more information, please read the *Gateway Member Guide Supplement*, available from 1 October 2015 from our website.

[3] Note: In other divisions of Qantas Super, you're limited to one full or partial transfer every 12 months and must leave $5,000 in your account when making a partial transfer.

Do you have a UK pension fund?

On 6 April 2015, the United Kingdom changed the eligibility requirements for overseas superannuation funds to qualify to receive UK pension transfers as authorised payments.

This means Qantas Super and most (if not all) Australian super funds don't meet these requirements.

As a result, we will not be processing any future UK pension transfer requests.

Qantas Super CEO to retire

In June, **CEO Jane Perry** announced she would be retiring at the end of the year to spend more time with her husband and their family. In a release sent to industry publications, Qantas Super Chair Anne Ward thanked Jane for her commitment to the fund and her team. She said Jane had "steered Qantas Super strategically through a period of unprecedented regulatory and industry change with care and distinction". The Board is undertaking an executive search for a replacement CEO.

For more information, read the media release on www.qantassuper.com.au

Member-elected Director for Group C reappointed

John Sipek's term as the current Group C Member-elected Director expired on 22 August 2015. A call for nominations was issued in May 2015 and, at the close of the nomination period on 26 June 2015, John was the sole nominee.

As a result, John will continue as the Member-elected Director for Group C for a further four year term. Group C covers Aircraft Trade Persons other than provided for in Group D, Store Workers and Food Production Workers.

John Sipek
Director

Insurance through your super

Most of you have insurance that's built into your superannuation. This means you're automatically covered 24 hours a day, seven days a week for death, total and permanent disablement (TPD) and, depending on your division, income protection (also known as total but temporary disablement).

Furthermore, as a member of Qantas Super, you may also have the opportunity to purchase extra insurance cover, without having to provide medical evidence, whether you're employed with the Qantas Group or not.

There are two types of cover:

1. **Standard Cover / Basic Cover.**
   This is the insurance that is built into your super and is automatically provided to you as a member of Qantas Super (if you're eligible). You (or your employer) pay a premium every month. This cover is provided for death, TPD, and income protection depending on your age, membership, and the division you're in.
2. **Voluntary Cover.**
   You can take out extra insurance for death and TPD depending on your personal circumstances. Voluntary Cover is available to all members (subject to eligibility).

There are a number of benefits of insurance through superannuation. Features of Qantas Super's insurance offer include:

- no need to provide medical evidence in most instances;
- you can apply to increase cover if you have a 'life event' (see the enclosed *Insurance updates*); and
- you can access the second opinion medical advice service, Best Doctors (see page 2).

We can help you when you're making a claim!

We're here to help you at a time when you most need support. The claims process can seem complicated... but it doesn't need to be.

All the information you need to make a claim is on our website. But if you need more information or guidance with the forms, simply ring the Qantas Super Helpline on 1300 362 967 and they'll point you in the right direction.

A caution: Recently there have been ads by lawyers promising to help you claim your insurance entitlements through your super. To be clear, the process is the same whether you do it, or the lawyers do it – except if they do it, they may take a portion of your claim, may also charge you expenses and potentially slow the process by adding a layer of complexity.

A lawyer also can't obtain a higher amount. Your insurance benefit isn't negotiable – it's set and calculated in a specific way according to the Qantas Super division you're in.

You can find out more information about your insurance through your super on www.qantasssuper.com.au

Contact us

Phone
1300 362 967 (within Australia)
+61 3 8687 1866 (outside Australia)

Fax
+61 3 9245 5827

Postal address
Qantas Superannuation Plan
GPO Box 4303, Melbourne VIC 3001

www.qantassuper.com.au

QSP_SU_0915

September 2015

investment updates

IMPORTANT INFORMATION

Introducing Glidepath... our new investment option

When it comes to superannuation, some of us pay close attention to our super and take control by choosing investment options, making sure our beneficiary nomination is up to date, and ensuring we have adequate insurance.

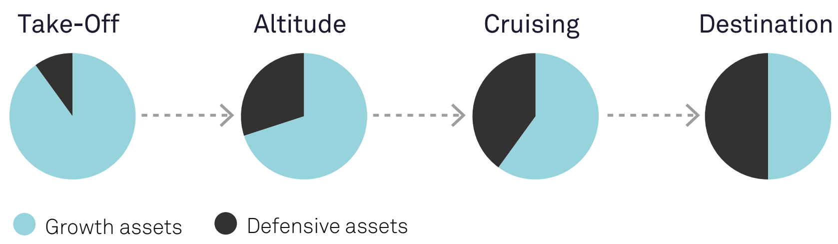
But let's face it – some of us "set and forget" our super – not paying much attention to it until we get closer to retirement. But is that the best way to manage such a big investment?

So we've given you another way to manage your super. We've added a new investment option called Glidepath, which will come into effect from 1 October 2015.

This means we'll have the following investment options[1]: Cash, Conservative, Balanced, Growth, Aggressive, Term Deposit, and the new option, Glidepath.

> We've designed Glidepath to meet the needs of our members today and into the future.

Automatic investment in each investment stage



Glidepath is an investment option designed to provide members with a greater exposure to growth assets early in their career and then to automatically reduce this exposure to growth assets as retirement nears.

Glidepath has four investment stages: *Take-Off, Altitude, Cruising,* and *Destination*.

Glidepath has been designed to meet the needs of our members today and into the future. Glidepath adjusts its growth and risk profile over a member's life. It is structured so that younger members (who have a longer time to retirement) are invested in the earlier stages of Glidepath where they are more exposed to growth assets and therefore to more risk.

This strategy is designed to reduce overall portfolio volatility as you near retirement whilst still providing an opportunity for growth.

If you do not make an investment choice when joining Qantas Super, your account will be invested in Glidepath.[2]

[1] The names of the investment options available in Gateway will be changing from 1 October 2015. Please see page 5 for more information.

[2] If you are starting an Income Account in Gateway, you will need to choose the investment options that apply to your account at the time you complete your application form.

What's inside

- More about Glidepath
- You can choose a mix of investment options
- Outcomes of our strategic investment review

QANTAS SUPER

Who can invest in Glidepath?

From 1 October 2015, Glidepath will become the new default investment option for Qantas Super[1] and will be available for all members[2] to choose as an investment option for their current account balance and future contributions.

Default investment options are designed by super funds to provide a solution for members who don't make a choice about how their money should be invested. When designing a default investment option, super funds strive to develop a solution which will best suit the majority of their members.

On 7 October 2015, the following members will be automatically invested in Glidepath:

- all existing default members in Divisions 3A, 5, 6, 7, 10 and Gateway (ie those who are invested in Growth or Growth Essentials and have never chosen an investment option).

If you're one of these members and don't want to be invested in Glidepath, you can opt out – please read the FAQ on this page.

[1] Glidepath will be the default investment option for members in accumulation divisions.

[2] If you're a member of a Qantas Super defined benefit division, this only applies to certain accumulation accounts you have that don't form part of your defined benefit entitlement from Qantas Super.

Q FAQ about Glidepath

You're currently invested in Growth Essentials or in Growth and are considered a default member (because you haven't chosen an investment option). You're wondering – do you have to change to the Glidepath investment option?

If you're an existing default member you should have received a separate letter and a flyer about Glidepath recently. If you don't want your account balance changed to Glidepath, the letter explains what you need to do. We'll need to receive your valid investment instruction by 11.30pm on Tuesday 29 September 2015 to avoid this change. There's no cost to change or confirm your investment option.

If you haven't received this letter, please contact the Qantas Super Helpline as soon as possible to avoid missing the deadline. Note that if you're transferred into Glidepath, you'll be able to request to change your investment option from Glidepath to another investment option at any time.

Fees for Glidepath

Here are the estimated investment fees for Glidepath for 2015/2016. All other fees and costs for your division remain the same as those disclosed in the latest member disclosure documents, available on our website.

Type of fee	Amount	How and when paid
Investment fee[3]	A percentage (%) pa of your account balance as shown in the table below:	Deducted from the investment returns of the relevant investment stages before the Credited Interest Rate (CIR) is calculated for the period (or the interim CIR if you leave your division of Qantas Super before the CIR is declared). It is not deducted directly from your account but is reflected in the CIR, or interim CIR, applied to your account. A different percentage fee applies to each investment stage in Glidepath.

Investment stages	Base fee[4]	Performance-based fee[4]
Glidepath		
– Take-Off stage	0.51	0.00 – 0.15
– Altitude stage	0.48	0.00 – 0.15
– Cruising stage	0.46	0.00 – 0.14
– Destination stage	0.43	0.00 – 0.14

[3] Includes all investment costs incurred by the Trustee that relate to each investment stage.

[4] Estimated for 2015/2016.

Which Glidepath investment stage am I invested in?

When you first invest in Glidepath, you will be allocated to an **age group** based on your year of birth.

You and all members of your age group are invested in the investment stage which has been determined by the Trustee as shown in the table below.

Your age group (this is based on year of birth)	Investment stage your age group invests in (as at 1 October 2015)
2000 – 2004	Take-Off
1995 – 1999	
1990 – 1994	
1985 – 1989	
1980 – 1984	
1975 – 1979	
1970 – 1974	
1965 – 1969	Altitude
1960 – 1964	
1955 – 1959	Cruising
1950 – 1954	
Pre-1950	Destination

The *Investment Guide*, to be published on our website on 1 October 2015, will contain the details of each investment stage. Please read it carefully before deciding to invest in Glidepath.

Note: The table above shows the investment stages for each group as at 1 October 2015. Please refer to our website for information on any changes to investment stages prior to making a decision to invest in Glidepath.

When does my investment stage change?

Your account will automatically be invested in the next Glidepath investment stage when the Trustee determines that the average age of your age group has reached the age listed in the table below:

If you're invested in...	You move to the next investment stage when the average age of your age group is...
Take-Off	age 45
Altitude	age 55
Cruising	age 64
Destination	Not applicable

The Trustee may defer transitioning an age group to the next investment stage if there is a major market event that creates extreme investment market volatility or potential illiquidity (eg. a significant banking failure or an economic depression).

We will let you know when your investment stage changes, as required by law.

Example – How it all works

Jack was born in 1965 and has chosen Glidepath as his investment option. Jack will join the 1965 - 1969 age group.

His account is automatically invested in the *Altitude* investment stage in Glidepath. He will stay invested in *Altitude* until the average age of his age group reaches age 55. At that point, Jack's super will be automatically invested in the next investment stage, *Cruising*.

When considering whether Glidepath is appropriate for you, you should consider which investment stage in Glidepath you would be invested in based on your age group and the relevant time horizon of that stage (see our 'About Glidepath' flyer on the website for the Glidepath option – investment stages in detail).

Glidepath doesn't take into consideration personal needs and circumstances, but has been developed based on our assessment of the investment needs of a typical Qantas Super accumulation member aiming to provide a comfortable[1] level of income in retirement.

[1] The Association of Superannuation Funds of Australia Ltd (ASFA) Retirement Standard benchmarks the annual budget needed by Australians to fund either a comfortable or modest standard of living in the post-work years. Learn more at www.superannuation.asn.au.

You can now choose a mix of investment options[1]

You've told us you want more flexibility with managing your super – and this includes the flexibility of mixing your investment options.

We've listened, and from 1 October 2015, you'll be able to select a mix of options in which to invest your super.

Your investment options are:

- Glidepath (from 1 October 2015);
- Aggressive;
- Growth;
- Balanced;
- Conservative;
- Cash; and
- Term deposit[2].

What can I change?

From 1 October 2015, you can choose which investment options apply to:

- Your current account balance[3] – specify how much to invest in each option by dollar amounts or by whole percentages (for Income Accounts in Gateway, only whole percentages can be specified); and/or
- Your future contributions – specify how much to invest in each option by whole percentages (future contributions do not apply to Income Accounts).

This flexibility means you can have different investment options for your current account balance and for your future contributions. You need to be aware that there are conditions – read the *Investment Guide* which will be published on the website from 1 October 2015.

[1] If you're a member of a Qantas Super defined benefit division, this only applies to certain accumulation accounts (please call the Qantas Super Helpline on 1300 362 967 if you'd like more information about this).

[2] Conditions apply. See www.qantassuper.com.au

[3] This does not include any part of your account balance that's currently invested in the Term Deposit option.

How do I change investment options?

You can change your investment options by logging into your account online at www.qantassuper.com.au, or by completing the relevant form available from our website.

Please read the *Investment Guide* for full details about investing in Qantas Super, including conditions, eligibility and timings for changing your investment options. The *Investment Guide* will be available on the website from 1 October 2015.

Show me a few examples of how to mix investment options

Here are three examples of how mixing investment options might work. For more information, please see the *Investment Guide* which will be available on the website from 1 October 2015.

1. Sally is in Gateway and chose Growth as her investment option. She has a Super Account balance of $10,000 which is currently invested in Growth. From 1 October 2015, she'll be able to choose any mix of investment options by percentage or dollar amounts for her account balance – so it could look like this:

   - 60% Growth
   - 20% Aggressive
   - 20% Cash

   OR

   - $6,000 Growth
   - $2,000 Aggressive
   - $2,000 Cash

2. Mick is in Division 7. His account balance of $100,000 is currently invested in Growth. He wants his account balance to stay invested in this option, but wants his future contributions to be invested in a mix of options. He can specify how much of his future contributions to invest in each option by whole percentages – so it could look like this:

   - 40% Growth
   - 60% Aggressive

   So for every contribution made to his account in future, 40% of that contribution amount will be invested in Growth and 60% in Aggressive. His $100,000 account balance stays invested in Growth.

3. Paul is retired and has an Income Account in Gateway. From 1 October 2015, he'll be able to choose a mix of options for his account balance of $100,000. Here's what that might look like:

   - 60% Growth
   - 20% Aggressive
   - 20% Cash

   Remember, as Paul has an Income Account, he can only nominate by percentage.

These examples are for illustrative purposes only.

Simplifying names of investment options in Gateway

As a result of introducing Glidepath, we're removing 'Growth Essentials' as an investment option (all default members will be automatically transferred to Glidepath and members who had chosen Growth Essentials will move to Growth which has the same investment profile as Growth Essentials). We're also simplifying the names of the other investment options.

We currently call it...	From 1 October 2015, we'll call it...
Cash Choice	Cash
Conservative Choice	Conservative
Balanced Choice	Balanced
Growth Choice	Growth
Aggressive Choice	Aggressive

A strategic review of our investments – and the outcomes

Our investment team reviews the structure of all the Qantas Super investment options on a regular basis. The Strategic Investment Review is an integrated assessment of all our investment options, in which the Trustee considers investment beliefs, objectives, time horizons and strategic asset allocations.

As a result of the 2015 Strategic Investment Review, we are implementing a range of changes across our investment options. These changes include:

- terminology for our asset classes (see below);
- managing our currency exposure (see page 6); and
- investment objectives and strategic asset allocations – see pages 6 to 12 for the asset allocations in place now, and what will be introduced from 1 October 2015.

Change to terminology for our asset classes

We've changed the structure of our asset class "buckets" to simplify the terms we use when we're explaining our investments. The asset class buckets in the new asset allocation structure are:

- Growth assets – Equities, growth alternatives
- Defensive assets – Defensive alternatives, debt and cash

We currently call it...	From 1 October 2015, we'll call it...
Return seeking assets	Growth assets
Risk controlling assets	Defensive assets
Australian shares, international shares and private equity	Equities
Return seeking alternatives	Growth alternatives
Risk diversifying alternatives	Defensive alternatives
Fixed interest	Debt
Cash	Cash

Managing our currency exposure

Investing in assets outside Australia, such as shares listed on foreign stock exchanges, means the value of those assets can change as the value of foreign currencies change. All investment options (with the exception of Cash and Term Deposit) have exposure to global assets, and therefore to movements in exchange rates.

We've moved to managing currency at the investment option level. The level of foreign currency exposure will depend on the investment option you're invested in. The foreign currency exposure weights for each investment option are shown in the table below:

Investment option	Foreign currency exposure weight[1]
Glidepath[2]	
– Take-Off	40%
– Altitude	30%
– Cruising	27.5%
– Destination	25%
Aggressive	40%
Growth	30%
Balanced	25%
Conservative	15%
Cash	0%
Term Deposit	0%

[1] Foreign currency exposure weights may vary from the percentage stated above from time to time due to exposure or market movements. However, they are rebalanced back to the above exposure weights, generally monthly, and at least every quarter.

[2] Note that Glidepath will commence from 1 October 2015.

The foreign currency exposure weights for each investment option may be varied in the future, if determined to be appropriate. We will inform you as soon as practicable if this is the case.

For more information, read the FAQs below. If you want further information, please ring the Qantas Super Helpline on 1300 362 967.

Why we're making this change

During our most recent review of the structure of our investment options (including the appropriate way to manage our currency exposure), we concluded that managing currency at the investment option level would enhance member outcomes. This change in approach allows us to identify what we consider to be an appropriate level of foreign currency exposure within each investment option. We have made this decision taking into account the role that currency plays as a diversifier (i.e. spreading risk). It's also an important factor in achieving the stated investment objectives for each investment option.

Q How did we manage currency historically?

Historically, we've managed currency at the asset level. For example, we hedged 50% of all developed market international shares (equities) and did not hedge any emerging market equity exposures.

Q What does it mean for members?

There is no material change to the underlying risk or return characteristics of the investment option in which you are invested. For example, if you have chosen the Conservative option, the expected risk and return characteristics are consistent with what you would expect from the Conservative option.

Q How do we manage foreign currency exposure weights within each investment option?

Each investment option (excluding Cash and Term Deposits) invests in assets outside Australia. Generally, the amount of assets invested outside Australia is greater than the target foreign currency exposure weight for each option. The Trustee hedges excess foreign currency exposures back into Australian dollars. For example, if the Growth option has 40% of assets invested outside Australia (resulting in 40% exposure to foreign currencies) and the Growth option has a target foreign currency exposure weight of 30%, then the Trustee hedges 10% foreign currency exposure back into Australian dollars. This results in the Growth option's foreign exposure weight being 30% (that is, 40% offshore currency exposure, less 10% Australian dollar hedging).

Changes to investment objectives, time horizons and growth / defensive splits

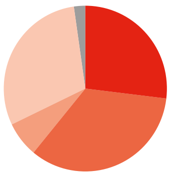
As part of the strategic investment review, we looked at return and risk objectives, investment time horizons and growth and defensive asset class splits for each investment option, and have made some changes aimed at improving the probability of meeting objectives, and providing well-structured and high quality options for our members.

Pages 7 to 11 set out how we invest for each investment option currently, and how we'll invest from 1 October 2015.

Note that this only covers investment options that were in place as at 30 June 2015 (it does not include the Glidepath option which will be available from 1 October 2015). For full details of the investment options, please see the Investment Guide which will be published on our website on 1 October 2015.

CURRENT

Aggressive/Aggressive Choice



Target asset allocation*

98% Return seeking assets
- 27% Australian shares
- 34% International shares
- 7% Private equity
- 30% Return seeking alternatives

2% Risk controlling assets
- 2% Cash

Overview

For investors who want a very high return above CPI over a seven year period, with a high degree of risk.

Investment objective

With all of the assets invested in return seeking assets, the Aggressive/Aggressive Choice option is expected to provide the highest level of returns in the long term. However this portfolio has the highest level of volatility and the likelihood of negative returns in any year is the highest.

The investment option aims to:

- achieve a return that exceeds CPI by at least 4.5% pa over a seven year period, after tax and investment fees;
- outperform the notional return on the benchmark portfolio; and
- limit the likelihood of a negative annual return to five in 20 years (or 25%).

Minimum suggested time to invest

7 years.

Risk level

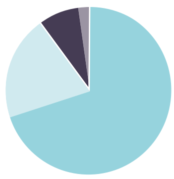
There may be short-term to medium-term volatility in these asset classes, as the investment has a high degree of risk.

The estimated number of negative annual returns (net of tax) over any 20 year period is 4.2 years.

* The target asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time.

FROM 1 OCTOBER 2015

Aggressive



Asset class	Strategic asset allocation[1] (%)	Range (%)
Growth assets	**90**	**80-100**
Equities	70	60-80
Growth alternatives	20	10-30
Defensive assets	**10**	**0-20**
Defensive alternatives	8	0-18
Debt	0	0-10
Cash	2	0-12

Overview

Designed for investors with a time horizon of at least 10 years, who want an investment portfolio predominantly invested in growth assets, with a medium to high degree of risk.

Investment objective

This investment option aims to:

- achieve a return that exceeds CPI by at least 5% pa over a 10 year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to five in 20 years (or 25% likelihood in each year).

Minimum suggested time to invest

10 years.

Risk level

This investment option has a medium to high degree of risk (risk band 5).

The estimated number of negative annual returns over any 20 year period is 3.6 years.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This is different to, and should be lower than, the investment objective (which aims to limit the likelihood of negative returns to a specified number of years). Please read the *Investment Guide* available on our website from 1 October 2015, for more information on the risk level.

CURRENT

Growth/Growth Essentials/Growth Choice

Target asset allocation*

70% Return seeking assets

- 20% Australian shares
- 25% International shares
- 5% Private equity
- 20% Return seeking alternatives

30% Risk controlling assets

- 10% Risk diversifying alternatives
- 20% Fixed interest and Cash

Overview

For investors who want a high return above CPI over a five year period, with a medium to high degree of risk.

Investment objective

The Growth/Growth Essentials/Growth Choice option is dominated by return seeking assets, although a moderate proportion of risk controlling assets are held.

The investment option aims to:

- achieve a return that exceeds CPI by at least 4% pa over a five year period, after tax and investment fees;
- outperform the notional return on the benchmark portfolio; and
- limit the likelihood of a negative annual return to four in 20 years (or 20%).

Minimum suggested time to invest

5 years.

Risk level

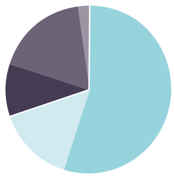
There may be short-term to medium-term volatility in these asset classes, as the investment has a medium to high degree of risk.

The estimated number of negative annual returns (net of tax) over any 20 year period is 3.5 years.

* The target asset allocation is an indication of the proportion of the the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time.

FROM 1 OCTOBER 2015

Growth



Asset class	Strategic asset allocation[1] (%)	Range (%)
Growth assets	**70**	**60-80**
Equities	55	45-65
Growth alternatives	15	5-25
Defensive assets	**30**	**20-40**
Defensive alternatives	10	0-20
Debt	18	8-28
Cash	2	0-12

Overview

Designed for investors with a time horizon of at least seven years, who want to achieve high returns driven by a large exposure to growth assets, with a medium to high degree of risk.

Investment objective

This investment option aims to:

- achieve a return that exceeds CPI by at least 4% pa over a seven year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to four in 20 years (or 20% likelihood in each year).

Minimum suggested time to invest

7 years.

Risk level

This investment option has a medium to high degree of risk (risk band 5).

The estimated number of negative annual returns over any 20 year period is 3.1 years.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This is different to, and should be lower than, the investment objective (which aims to limit the likelihood of negative returns to a specified number of years). Please read the *Investment Guide* available on our website from 1 October 2015, for more information on the risk level.

CURRENT

Balanced/Balanced Choice

Target asset allocation*

50% Return seeking assets

- 16% Australian shares
- 20% International shares
- 4% Private equity
- 10% Return seeking alternatives

50% Risk controlling assets

- 10% Risk diversifying alternatives
- 40% Fixed interest and Cash

Overview

For investors who want a return above CPI over a five year period, who are comfortable with a medium degree of risk.

Investment objective

The Balanced/Balanced Choice option provides a mix of asset classes, combining the growth features of the return seeking assets with the stability of the risk controlling assets.

The investment option aims to:

- achieve a return that exceeds CPI by at least 3.5% pa over a five year period, after tax and investment fees;
- outperform the notional return on the benchmark portfolio; and
- limit the likelihood of a negative annual return to three in 20 years (or 15%).

Minimum suggested time to invest

5 years.

Risk level

There may be short-term to medium-term volatility in these asset classes, as the investments have a medium degree of risk.

The estimated number of negative annual returns (net of tax) over any 20 year period is 2.8 years.

* The target asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time.

FROM 1 OCTOBER 2015

Balanced

Asset class	Strategic asset allocation[1] (%)	Range (%)
Growth assets	**50**	**40-60**
Equities	40	30-50
Growth alternatives	10	0-20
Defensive assets	**50**	**40-60**
Defensive alternatives	10	0-20
Debt	30	20-40
Cash	10	0-20

Overview

Designed for investors with a time horizon of at least five years, who want an investment portfolio balanced between growth and defensive assets, with a medium degree of risk.

Investment objective

This investment option aims to:

- achieve a return that exceeds CPI by at least 3.0% pa over a five year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to three in 20 years (or 15% likelihood in each year).

Minimum suggested time to invest

5 years.

Risk level

This investment option has a medium degree of risk (risk band 4).

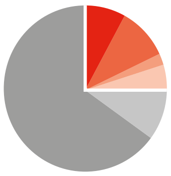
The estimated number of negative annual returns over any 20 year period is 2.4 years.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This is different to, and should be lower than, the investment objective (which aims to limit the likelihood of negative returns to a specified number of years). Please read the *Investment Guide* available on our website from 1 October 2015, for more information on the risk level.

CURRENT

Conservative/Conservative Choice



Target asset allocation*

25% Return seeking assets

- 8% Australian shares
- 10% International shares
- 2% Private equity
- 5% Return seeking alternatives

75% Risk controlling assets

- 10% Risk diversifying alternatives
- 65% Fixed interest and Cash

Overview

For investors who want stable, modest returns, with a relatively low-to-medium likelihood of negative returns.

Investment objective

A large proportion of the Conservative/Conservative Choice option is invested in risk controlling assets, resulting in stable, modest returns, with a relatively low likelihood of negative returns. The small allocation to return seeking assets provides some growth opportunities.

The investment option aims to:

- achieve a return that exceeds CPI by at least 3% pa over a three year period, after tax and investment fees;
- outperform the notional return on the benchmark portfolio; and
- limit the likelihood of a negative annual return to one in 20 years (or 5%).

Minimum suggested time to invest

3 years.

Risk level

The investments have a low to medium degree of risk.

The estimated number of negative annual returns (net of tax) over any 20 year period is 1.2 years.

Low to medium

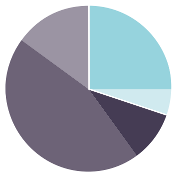
* The target asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time.

Important note: The current low level of interest rates in Australia and around the world may make it difficult to achieve the Conservative investment option's return objective (CPI + 3.0% p.a.) over the next two to three years. Fixed Interest and Cash investments, which represent 65% of the Conservative investment option, currently yield less than 3.0% p.a. This result is lower than the Conservative option's 5.5% to 6.0% return objective (assuming CPI ranges between 2.50% and 3.00% p.a.).

We'll retain the Conservative option's risk profile given it's designed for members who want stable, modest returns with a relatively low to medium likelihood of negative returns.

FROM 1 OCTOBER 2015

Conservative



Asset class	Strategic asset allocation[1] (%)	Range (%)
Growth assets	**30**	**20-40**
Equities	25	15-35
Growth alternatives	5	0-15
Defensive assets	**70**	**60-80**
Defensive alternatives	10	0-20
Debt	45	35-55
Cash	15	5-25

Overview

Designed for investors with a time horizon of at least three years, who want stable, modest returns, with a relatively low-to-medium likelihood of negative returns.

Investment objective

This investment option aims to:

- achieve a return that exceeds CPI by at least 2% pa over a three year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to two in 20 years (or 10% likelihood in each year).

Minimum suggested time to invest

3 years.

Risk level

This investment option has a low to medium degree of risk (risk band 3).

The estimated number of negative annual returns over any 20 year period is 1.7 years.[2]

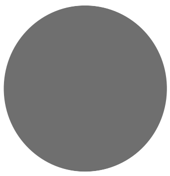
Low to medium

[1] The strategic asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This is different to, and should be lower than, the investment objective (which aims to limit the likelihood of negative returns to a specified number of years). Please read the *Investment Guide* available on our website from 1 October 2015, for more information on the risk level.

CURRENT

Cash/Cash Choice



Target asset allocation*

100% Risk controlling assets

■ 100% Cash

Overview

For investors who want exposure to cash and short-term money market returns. The risk of negative returns is very low. The returns are stable but usually low.

Investment objective

By investing in cash and the short-term money market, the Cash/Cash Choice option provides access to stable, but usually low, returns.

The investment option aims to:

- achieve a return equal to the UBSA Bank Bill Index, after tax and investment expenses, over a rolling one year period; and
- never achieve a negative annual return.

Minimum suggested time to invest

No minimum time applicable.

Risk level

The investments have a very low degree of risk.

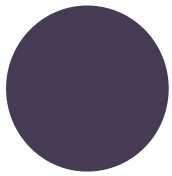
The estimated number of negative annual returns (net of tax) over any 20 year period is 0 years.

Very low

* The target asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time.

FROM 1 OCTOBER 2015

Cash



Asset class	Strategic asset allocation (%)
■ Cash	100

Overview

Designed for investors who want exposure to cash and short-term money market returns. The risk of negative returns is very low. The returns are expected to reflect liquid cash returns available in the market.

Investment objective

This investment option aims to:

- achieve a return equal to the Bloomberg AusBond Bank Bill Index, after tax and investment fees, over a rolling one year period; and
- never achieve a negative annual return.

Minimum suggested time to invest

No minimum time applicable.

Risk level

This investment option has a very low degree of risk (risk band 1).

The estimated number of negative annual returns over any 20 year period is nil.[1]

Very low

[1] Please read the *Investment Guide* available on our website from 1 October 2015, for more information on the risk level.

CURRENT

Term Deposit

Target asset allocation*

100% Risk controlling assets

100% Fixed Interest

Overview

For investors who want the short-term security of a fixed interest rate.

Investment objective

The Term Deposit option invests 100% in cash investments and has a short-term focus. It aims to provide a fixed interest rate on investments held for an agreed term.

Minimum suggested time to invest

Fixed for the term you select either 6 or 12 months.

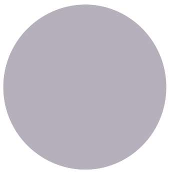
Risk level

The investment has a very low degree of risk. The estimated number of negative annual returns (net of tax) over any 20 year period is 0 years. However, there are restrictions on early withdrawal from this investment option.

* The target asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time.

FROM 1 OCTOBER 2015

Term Deposit



Asset class	Strategic asset allocation (%)
Term deposits	100

Overview

Designed for investors who want the short-term security of a fixed interest rate.

Investment objective

The Term Deposit option invests 100% in Term Deposits and has a short-term focus. It aims to provide a fixed interest rate on investments held for an agreed term.

Minimum suggested time to invest

Fixed for the term you select, either 6 or 12 months.

Risk level

This investment option has a very low degree of risk (risk band 1).

The estimated number of negative annual returns over any 20 year period is nil[1]. There are restrictions on early withdrawal from this investment option.

[1] Please read the *Investment Guide* available on our website from 1 October 2015, for more information on the risk level.

Contact us

Phone
1300 362 967 (within Australia)
+61 3 8687 1866 (outside Australia)

Fax
+61 3 9245 5827

Postal address
Qantas Superannuation Plan
GPO Box 4303, Melbourne VIC 3001

www.qantassuper.com.au

QSP_InvestSupp_0915

insurance updates

IMPORTANT INFORMATION

New features for Voluntary Cover in Gateway

This information applies to eligible Gateway members.

On 1 October 2015, we are introducing two new features to the Voluntary Cover offer for eligible Gateway members – life events and transfer of cover.

You could already access these under Basic Cover, but this has been extended to Voluntary Cover as a benefit for you.

1. **Life events**. You can apply to increase either your Basic Cover or your Voluntary Cover for death only or death and TPD (total and permanent disablement) if you experience a certain life event. For information about life events, read the article on page 2.
2. **Transfer of cover**. If you have any insurance cover for death only or for death and TPD with another super fund, group insurance policy or retail insurance policy, you may be eligible to transfer up to a maximum of $1.5 million of this cover into Qantas Super as Basic Cover or Voluntary Cover. Conditions may apply.

For specific details on both life events and transfer of cover under Voluntary Cover, including eligibility and conditions, please read the Gateway disclosure material (*Gateway Product Disclosure Statement*, the *Gateway Member Guide Supplement* and the *Voluntary Cover Insurance Guide*) which will be available on the website from 1 October 2015.

Former Division 8 members: Make your choice by 30 November 2015

This reminder is for former Division 8 members with Standard Cover insurance who were transferred to Qantas Super Gateway on 1 July 2015.

As a former Division 8 member who is now a Retained Member in Gateway, you have a one-time offer until **30 November 2015** to convert any Standard Cover you held in Division 8 to Fixed Dollar Basic Cover in Gateway.

As we explained in the *Transfer from Division 8 to Gateway* notice, which was mailed to you in May 2015, Gateway offers different cover called Fixed Dollar Basic Cover for Retained Members, which may be better suited to your needs. This is explained in the *Transfer from Division 8 to Gateway* notice.

If you'd like to consider converting your former Standard Cover to Fixed Dollar Basic Cover, please read the *Transfer from Division 8 to Gateway* notice thoroughly, and to proceed, complete the form which was enclosed with that notice.

If you've misplaced the notice or form, please call the Qantas Super Helpline on 1300 362 967, Monday to Friday, from 8am to 7pm.

What's inside

QANTAS SUPER

Just had a baby? Bought your first home? Graduated from your first degree? Newly married? Or divorced?

This information applies to all members* who are eligible for Voluntary Cover.

Did you know you can apply to increase your level of Voluntary Cover if you experience a specific life event – without the need to provide evidence of good health? You can apply for up to $50,000 (in multiples of $10,000) of death only, or death and total and permanent disablement cover. You must apply for the increase in cover, and provide the necessary proof, **within 90 days of the life event**.

A life event can be any of these:

- marriage or divorce;
- birth or legal adoption of a child;
- grant of a home loan from a financial institution on the initial purchase of a principal place of residence;
- grant of a loan from a financial institution for the purpose of home renovation on a principal place of residence;
- death of your spouse;
- completion of your first undergraduate degree at an Australian university;
- you become a carer for the first time; or
- your dependant child starts secondary school.

There are situations where you may not be eligible for additional cover for a life event and limits apply. Please read the **Voluntary Cover Insurance Guide** for more details.

If you already have Voluntary Cover, the same premium rates, terms and conditions (including restrictions and/or exclusions) will apply to an increase in Voluntary Cover approved under a life event.

Any increase in your cover will be effective from the date your application is accepted. We'll write to let you know the outcome of your valid application.

* If you're a member of Gateway, you can also apply to increase your Basic Cover due to a life event. Please read the *Gateway Member Guide Supplement* available on our website for more information.

You can find out more information about your insurance through your super on www.qantasssuper.com.au

Change to terminal illness legislation

This article applies to all members.

From 1 July 2015, the Federal Government changed superannuation legislation to allow people to access their superannuation if they have a terminal medical condition and have less than 24 months to live. (Previously the legislation stated 12 months.)

What does this mean?

The change in legislation from 1 July 2015 means there may be situations where you can receive an advance payment of part of your death benefit (limits and conditions apply), if you are assessed as having less than 24 months to live. There are different criteria for this advance payment for the insurance (if any) and non-insurance components of your death benefit, which are outlined below.

Your superannuation amount

If you have a terminal medical condition and have less than 24 months to live, you'll be able to access the non-insurance part of your death benefit (if you are in a defined benefit division the Trustee will consider your case to determine if any limits will apply). You need to satisfy certain conditions, including providing documentation from two treating doctors (at least one must be a treating specialist) stating that you have less than 24 months to live.

Your insurance cover

If you have an insurance component, the conditions that need to be satisfied to receive a terminal illness benefit have not changed and the timing remains at 12 months. (In other words, you can only access it when you're assessed as having less than 12 months to live.)

Important considerations before you act

If you withdraw your entire superannuation benefit component under these circumstances before you're eligible to receive your insurance cover, you'll lose access to your insurance component. That's because insurance cover in Qantas Super ceases when you transfer your total superannuation benefit out of the fund.

If you meet the requirements of being totally and permanently disabled, you may be eligible for a TPD benefit from Qantas Super. This benefit would be payable instead of a terminal illness benefit. Please refer to the relevant disclosure material that applies to your division for more information on this benefit and the TPD definition that applies to you.

Seek financial advice

If you're in this situation and would like assistance on how to maintain your insurance cover within the fund while also receiving an advance payment, please seek financial advice tailored to your circumstances before making a decision. You can ring the Qantas Super Helpline on 1300 362 967 and arrange to speak to a financial adviser who is independent of Qantas Super, but has a detailed understanding of the plan.

For more information

For more information about the process and what you need to do, please call the Qantas Super Helpline on 1300 362 967, Monday to Friday, from 8am to 7pm.

Note: Qantas Super's insurer is MLC Limited.

Who is eligible for income protection?

This article applies only to members in Gateway.

As part of Basic Cover in Gateway, you may be automatically covered for income protection which provides a monthly payment for up to two years if you're temporarily unable to work as a result of illness or injury. This gives you peace of mind at a time when you most need it.

Cover for income protection is available to employees engaged in Regular[1] permanent or fixed term employment for 15 hours or more a week. Cover is not available to Retained Members, Spouse Members, casual employees or contractors who are not fixed term employees.

Your income protection cover is equal to 75% of your Salary for Insurance Purposes, paid as a monthly payment to you, in arrears, after a minimum waiting period of 90 days, for a maximum period of two years for the same illness or injury. Cover ceases on your 65th birthday.

To learn more about income protection and the conditions that may apply, please read the *Gateway Product Disclosure Statement* for more details.

[1] Work means Regular employment, where 'Regular' means the period of continuous work history as measured over the six month period immediately prior to your date of claim or if you have less than six months of continuous work history, the period of continuous work history as measured over your average length of service immediately prior to your date of claim.

Clarification of eligibility for $750,000 Voluntary Cover

This article applies to all eligible members.

You can apply for Voluntary Cover up to $750,000 **without** providing evidence of good health (called 'underwriting'). You can lodge an application **once only** for Voluntary Cover up to $750,000 without underwriting. Any further increases in Voluntary Cover will be subject to underwriting.

For example, if you initially choose to take out $250,000 of Voluntary Cover, you will automatically receive this cover without having to provide any medical evidence. If you later wish to increase this amount of Voluntary Cover, you will then have to be underwritten to obtain any additional cover even though you haven't reached the $750,000 limit.

To apply, complete the relevant form available on our website. The Voluntary Cover you have applied for will commence from the date your valid application is accepted by the insurer. Exclusions and limitations may apply.

Which total and permanent disablement definition applies to me?

This article is relevant to all members who have Voluntary Cover, and Gateway members who have Basic Cover.

You should read this information carefully as it may be different to previous information you have received.

We've had some questions about the definitions that apply to you if you become totally and permanently disabled and you have Voluntary Cover.

This is a complex area as the definition of TPD (total and permanent disablement) that applies to you depends on your own personal circumstances. This includes which Qantas Super division you are in, the date you joined Qantas Super, as well as the number of hours you are working and whether you are unemployed or occupied in home duties, at your date of claim.

To clarify the situation, the different definitions of TPD for Voluntary Cover and Basic Cover are set out on this page and the following page.

In many cases, there is more than one part to the definition. You only need to satisfy one part of the TPD definition that applies to you to be eligible for payment of your Voluntary Cover or Basic Cover for TPD.

TPD definitions for Voluntary Cover (all members) and Basic Cover (Gateway only)

Division	If you work[1] 15 hours or more a week	If you work[1] less than 15 hours a week, or are a Retained Member or Spouse Member (Basic Cover only) and unemployed or occupied in home duties
1, 2, 3, 4, 12, 15	Parts (a) and (c) apply[2]	Parts (a), (c) and (d) apply[2]
3A, 5, 6, 7, 10	Part (e) applies[2]	Part (c) applies[2]
Gateway [3,5,6]	Parts (c) and (e) apply[2,4]	Parts (c) and (d) apply[2]

[1] Work means Regular employment, where 'Regular' means the period of continuous work history as measured over the six month period immediately prior to your date of claim or if you have less than six months of continuous work history, the period of continuous work history as measured over your average length of service immediately prior to your date of claim.

[2] If you joined Qantas Super in a division other than Gateway and have continuously held Voluntary Cover since before 1 July 2013, an additional part (b) Specific Loss is available to you as described on page 5.

[3] The same definitions apply to any Basic Cover you have.

[4] If you were a member of Division 8 prior to 1 July 2013 and have continuously held Voluntary Cover since then, part (e) applies to you but is modified by replacing the words 'any occupation' with 'your own Occupation and any similar occupation'.

[5] If you were formerly a member of Division 8 and have transferred your Standard Cover to Voluntary Cover in Gateway, please note that, firstly, the exclusions for Pre-existing Conditions described in the August 2013 *Your Insurance Guide – Additional Voluntary Death and TPD cover* do not apply to your transferred death and TPD cover, and, secondly, the TPD definitions in the table above apply to you instead of the definitions set out in the August 2013 *Your Insurance Guide – Additional Voluntary Death and TPD cover*.

[6] The *Gateway Member Guide Supplements* issued in July 2013 and March 2014 did not accurately reflect the definitions for Gateway Retained Members.

Please note if you also have Standard Cover in divisions other than Gateway, a different TPD definition may apply to that cover, depending on your circumstances. Please refer to the relevant member disclosure documents for your division for more information regarding the TPD definitions that apply to your cover. Voluntary Cover for TPD is not available for Spouse Members in Gateway or as part of an Income Account in Gateway.

What does each part mean?

Part (a) – Any Occupation (termination of employment) means: Termination of employment through injury or Illness which, in the Insurer's opinion after consideration of medical evidence and any other evidence the Insurer considers to be necessary or desirable, has rendered you incapacitated to such an extent that you are unlikely ever to be able to resume work or to attend to any gainful profession or occupation for which you are reasonably qualified by education, training or experience.

Part (b) – Specific loss means: You suffer the permanent loss of use of two limbs or the sight of both eyes, or the permanent loss of use of one limb and the sight of one eye (where limb is defined as the whole hand or the whole foot) in circumstances where the loss will never be regained.

Part (c) – Activities of daily living means: You have been absent from your Occupation[1] solely through injury or Illness for a period of three consecutive months and you are incapacitated to such an extent that, in the Insurer's opinion, after consideration of medical and other relevant evidence, you were, at the end of the period of three consecutive months' absence from your Occupation, unlikely to ever be able to perform at least two activities of daily living without the physical help of someone else.

For the purpose of this definition, activities of daily living means:

- bathing and/or showering;
- dressing;
- moving from place to place including in and out of bed and in and out of a chair;
- eating or drinking; or
- using the toilet.

[1] Occupation means the employment or activity in which you are Employed unless you are occupied in home duties or unemployed.

For the purpose of this definition:

- if you are unemployed at the time you become disabled, Occupation means the occupation in which you were employed immediately prior to becoming unemployed; and
- if you are occupied in home duties, Occupation means the normal physical domestic household duties you usually perform.

Please note that the *Your Insurance Guide – Additional Voluntary Death and TPD cover* issued in November 2011 did not include the three month waiting period referred to above. This was corrected in the August 2013 *Your Insurance Guide – Additional Voluntary Death and TPD cover*. In addition, the definition of Occupation has been expanded to more clearly explain how the TPD definitions apply if you are not employed at the time you become disabled.

Part (d) – Home duties means: You have been absent from your Occupation of home duties solely through injury or Illness for a period of three consecutive months and you are incapacitated to such an extent that, in the Insurer's opinion, after consideration of medical and other relevant evidence, you were, at the end of the period of three consecutive months' absence from your Occupation of home duties, unlikely to ever again attend to at least two normal physical domestic household duties.

For the purposes of this definition, normal physical domestic household duties means:

- cleaning the family home;
- shopping for food and household items;
- meal preparation and laundry services;
- leaving the house without the assistance of another person;
- looking after dependent child/children under 16 years of age or in full time secondary education, where applicable; or
- providing full time care for a disabled person(s) who is a member of your immediate family, where applicable.

If you are able to perform the normal physical domestic household duties with the assistance of another person or with the use of assistive devices, you are deemed to be able to perform these duties. You must be under the regular care and attention and following the advice of a Doctor for that injury or Illness. Evidence that you carried out the normal physical domestic household duties on a daily basis prior to your period of disability will be required.

Please note that this definition only applies if you are occupied in home duties. The November 2011 and August 2013 *Your Insurance Guide – Additional Voluntary Death and TPD cover* did not explicitly state this.

Part (e) – Any Occupation means: You have been absent from your Occupation solely through injury or Illness for a period of three consecutive months and you are incapacitated to such an extent that, in the Insurer's opinion, after consideration of medical and other relevant evidence, you were, at the end of the period of three consecutive months' absence from employment, unlikely to ever engage in or work for reward in any occupation for which you are reasonably suited by education, training or experience.

New insurance features for Division 15 members

This information applies to Division 15 members (AaE employees).

From 1 October 2015, you'll have access to the following three insurance features.

1. **Access to Voluntary Cover for death and TPD**. You'll be able to take out Voluntary Cover, which allows you to increase your death and total and permanent disablement (TPD) cover to a level that you feel is right for you and your family. This cover is separate to any existing Standard Cover[1] you already have in Division 15. You can apply for up to $750,000 Voluntary Cover for death and TPD without providing evidence of good health. You can also apply for higher levels of Voluntary Cover (subject to acceptance by the insurer, MLC Limited).

For more details, please read the *Voluntary Cover Insurance Guide* which will be available on the website from 1 October 2015.

[1] Standard Cover is the amount of your death only or death and TPD cover in Division 15.

2. **Cover continues when you leave employment**. If you leave Qantas Group employment (for reasons other than death or disablement), you will cease to be a member of Division 15. You'll become a retained member in Gateway, and your super benefit in Division 15 will be transferred to Gateway. The value of any Standard Cover[1] for death and TPD you have at the date you cease employment will be automatically transferred to your account in Gateway as Fixed Dollar Basic Cover. You can choose to reduce or cancel this cover at any time. Any Voluntary Cover you had in Division 15 will transfer and continue as Voluntary Cover in Gateway.

For more details, please read the *Gateway Member Guide Supplement*, available on the website from 1 October 2015.

3. **Continuation option**. If you leave employment with the Qantas Group (for reasons other than ill heath), you may be eligible to continue your Standard Cover for death and TPD, and your Voluntary Cover for death by buying a policy direct with the Insurer – without having to provide further medical evidence. You may also be eligible to continue your Standard Cover for death on leaving Qantas Super. This is called a continuation option. If you choose to take out a continuation option and you remain a member of Qantas Super, the corresponding cover (either Standard Cover or Voluntary Cover, or both) through Qantas Super will cease from the date you take the continuation option.

   You must be under age 60 and your valid application for a continuation option must be received within 60 days of leaving employment (or leaving Qantas Super in the event of Standard Cover). You will be responsible for paying premiums directly to the Insurer. The amount of the premiums will depend on the premium rates the Insurer charges for individual policies. For Standard Cover for TPD, you must commence full time employment with another employer within 90 days of ceasing employment with the Qantas Group. The Insurer may also have additional eligibility criteria before a continuation option is offered. If you'd like a quote for a continuation option, please call the Insurer, MLC Limited, on 02 8908 6111 or email them at group_insurance@mlc.com.au.

Contact us

Phone
1300 362 967 (within Australia)
+61 3 8687 1866 (outside Australia)

Fax
+61 3 9245 5827

Postal address
Qantas Superannuation Plan
GPO Box 4303, Melbourne VIC 3001

www.qantassuper.com.au

QSP_InsUpdates_0915