



# Annual Report 2017/2018

## Our ratings and awards

Being a super fund that's run purely for our members, we spend most of our time being concerned with what you think, not what others think. Still, it's nice to be recognised for doing a good job.

We're proud that our work for our members is recognised by prestigious research firm SuperRatings year after year. By looking at our investment returns, fees and other factors, like the insurance policies we provide, SuperRatings has judged us a 'Gold' rating for our super and pension products.



### Gold rating by SuperRatings\*

Gateway has been awarded a 'Gold' rating by SuperRatings six years running



### Gold Choice Super

We've been awarded 'Gold' in this category six years running



### Gold MySuper

Four years in a row we've won 'Gold' in the MySuper category



### Gold Pension

Our pension products have been awarded 'Gold' for the last four years

\* SuperRatings is an independent research organisation. SuperRatings does not issue, sell, guarantee or underwrite this product. Go to [www.superratings.com.au](http://www.superratings.com.au) for details of its ratings criteria.

# Contents

Message from the Chair	3
Message from the CEO	4
Key achievements in 2017/2018	5
Your Board of Directors	12
Corporate governance	16
Qantas Super Executive Office	20
Investments	22
Financial position	36
Other important information	39

This document is of a general nature and does not take into account your personal objectives, situation or needs. In addition, the information contained in this document is generic and may not be applicable to members across all divisions.

Before making a decision about the Qantas Superannuation Plan, consider your financial needs and read the Product Disclosure Statement (PDS) or member disclosure materials applicable to your membership.

Issued by Qantas Superannuation Limited ABN 47 003 806 960 AFSL 288330 RSE L0002257 (QSL, we, us, our or trustee) as trustee for the Qantas Superannuation Plan ABN 41 272 198 829 (Qantas Super or Plan).

# Message from the Chair

Welcome to our 2017/18 Annual Report where we share the progress we have made to help you approach your financial future with confidence.

Knowing that your money is well managed for the long term is essential to feeling confident about your future. We are fortunate that Australia has one of the strongest retirement systems in the world and there are many rules and regulations in place to protect how superannuation is run.

At Qantas Super, exemplary governance is one of the core foundations of how we do things. As Trustee our role is to manage Qantas Super for your benefit. Qantas Super is run by a Trustee Board of 10 directors in the interests of all our members. Half of the Directors are elected by you, the members, and half are appointed by Qantas.

The Board meets regularly to monitor Qantas Super's management. We also have a number of Board Committees which specialise in investments, insurance and the member experience. Others address areas like audit and risk, remuneration and nominations.

This structure ensures oversight of all aspects of Qantas Super to obtain the best retirement outcomes for our members. You can be reassured that the Qantas Super governance structure is sound and equips us to ensure Qantas Super remains successful into the future.

As I reflect on the importance of governance at Qantas Super, I am very sad to report that Qantas Super members lost a fierce advocate with the passing early in November 2018 of Board Director Paul Costello. Paul was a pivotal figure in the super industry and was an enormous asset to the Qantas Super Board.

Paul was the founding CEO of both the NZ Super Fund and the Future Fund and held a number of other senior positions in the financial services industry. He joined the Qantas Super Trustee Board in 2014 and was Chair of the Investment Committee and a valued member of the Remuneration and Insurance Committees.

Even in his last weeks, Paul remained focused on serving the members of Qantas Super, attending Committee meetings and contributing strongly to matters under discussion. His depth of experience and his passion for achieving positive investment outcomes means he has left a lasting legacy for Qantas Super members. Among his many achievements, he helped develop a fully integrated investment platform, a new lifecycle option for default members, an enhanced approach to currency management and an improved retirement option.

He also helped drive the forays into timberland and agriculture, as well as the recent removal of tobacco from our investment portfolios. He was a person who valued integrity. The Board and wider Qantas Super team extend their sincere condolences to Paul's wife, Denise, and their family.

Having a Board with a diversity of skills and experience fosters broad consideration of issues so that sound decisions are made for the benefit of all members. During the year we farewelled two long standing Member Directors and welcomed two new Member Directors. This renewal of Board membership is a healthy process.

Luke Murray joined the Qantas Super Board in December 2017, having been elected to replace Kash Gillies in Group D. As well as being a LAME, Luke has qualifications in accountancy and financial planning.



**Anne Ward**  
Chair

Hendrik Van Calcar joined the Qantas Super Board in June 2018, having been elected to replace Greg Manning in Group E. Hendrik brings experience in accounting and financial planning.

Kash Gillies retired after 15 years as a Director. Kash contributed much to Qantas Super being passionate about investments, attending many seminars and being a Member of the Investment Committee.

Greg Manning retired after being a Director since June 2010 and made a valuable contribution to Qantas Super with experience in accounting, risk management, funding and insurance.

On behalf of the Board, I would like to thank Kash and Greg for their contribution and support.

I would also like to thank all Directors for their commitment again this year and look forward to their ongoing contribution. With the support of all directors, I am confident Qantas Super is well positioned to navigate any challenges which may lie ahead.

I wish to thank the management team and staff at Qantas Super under the leadership of Michael Clancy, for their tireless work over the past year. Super can be complex and is regularly changing. However, the team is committed to helping both current and past employees of the Qantas Group to enjoy a comfortable retirement.

**Anne Ward**  
Chair



# Message from the CEO



**Michael Clancy**  
Chief Executive Officer

At Qantas Super, our passion is about helping you be confident in your financial future so you can enjoy retirement.

Whether retirement is next year or forty years away, you need to know that you are on track to be able to live the life you want when you stop working. This gives you the certainty to enjoy life now and in the future.

Qantas Super is serious about helping members feel confident about the future. In 2017/18 we continued to improve the services and support we provide to deliver on our purpose.

Good investment performance over time means that you have more money growing for your retirement. Our investment strategy has always been a safety-first approach which focuses on the long term. Investments in timberland and agriculture are examples of positioning for the future to capitalise on expected demand. Seeking diversity in the type of investments is another way we minimise risk.

As expected, markets continued to be volatile due to a number of global developments. Despite this, investment returns were strong and all members will benefit from the excellent investment performance.

We've continued to listen to members through feedback from surveys and in person. Over the year I have visited some of our sites and spoken to many of you.

I am encouraged to see when members are more positive about the future once they have organised their financial affairs.

Your comments and views are used to shape our products and services:

- If you have a second job you may want to keep your super contributions together. Qantas employees with a second job can now arrange for their other employer to contribute to Qantas Super
- Your usage needs and views were central to the way we redesigned our new website. Making it easier for you to find what you need was our aim
- Many of you indicated you needed some expert advice and we are making financial advisers more available in the workplace so you can have access to some financial advice at no additional cost
- The Qantas Super Fit program was introduced in response to help members learn more about how to manage your finances. This is a fun program which rewards your curiosity with new skills and helps you feel more confident about the future

Qantas Super is also proud to have introduced a number of improvements for members which are firsts in the superannuation industry:

- We were the first to use virtual reality to develop an interactive quiz show to encourage you to think about what your retirement could look like and see how contributing to super can improve your financial outlook
- Qantas Points have been offered as competition prizes when you make additional contributions to your super or open an account with Qantas Super
- To help us understand and measure financial confidence, we researched how confident Australians are about their retirement. The results were barely a pass, sitting at around 5 out of 10. This is an important issue for the Australian community. We will use these findings to keep shaping the products and services we provide you

I firmly believe that helping you be more confident with your super is a partnership – between you and Qantas Super. We are improving, but we also need you, our members, to take ownership and responsibility for your future. I know that the most confident members are those that have taken an interest in their finances and steps to improve their future outlook. There are a number of steps you can take to grow your confidence and it's never too late to start taking an interest. In the next few pages we share some of the tools and supports that are available to help you look forward to the future with more confidence.

Our defined benefit members will be interested to know that with the support of the Qantas Group we have continued to strengthen the funding of the defined benefit divisions and have been able to de-risk our investment strategy over the past few years to make delivering those benefits even more certain. This is important as many of our defined benefit members are closer to retirement.

I acknowledge that external factors like global political and economic conditions, volatility in investment markets, and regulatory change can create uncertainty. Be assured that we anticipate change and are prepared for change. Change is healthy, encouraging continuous improvement and is one of the reasons why Australia enjoys one of the world's best retirement systems. Our focus remains on the long term, so you can embrace your future feeling more confident.

A handwritten signature in black ink that reads "Michael Clancy".

**Michael Clancy**  
Chief Executive Officer

# Key achievements

## in 2017/2018



Returns to get excited about.  
**More money for the future.**

Strong returns over 2017/18 boosted your super accounts.

All super options delivered strong returns for the year to 30 June 2018. But, as always, it's the long-term results that really count.

Our **safety-first approach** is designed to protect and grow your money for years to come, so you can be confident you're building the foundations for the life after work you've always wanted.

All options, except the Aggressive option, easily beat their long-term targets. Independent ratings agency, SuperRatings, listed our Growth option as one of their 15 top-performing funds for the year.

We delivered real value to you.

Driving this year's results were solid returns in global markets coupled with some clever decisions from our investment team, which helped avoid some of the market turbulence. Our continued preference for international shares paid off, with our global shares portfolio returning 14.4%, compared to 11.4% from our Australian shares portfolio.

The real performance standouts were from investments held in our real assets portfolio. Investments in Asian renewable energy infrastructure and timberland assets in Australia produced outstanding results. Our infrastructure portfolio earned an impressive 25.1%, while our holdings in Australian timberland has returned 17.4% since our original investment in August 2017.

Read more on page 24.

Exceeded target objectives by:



**+4.9%**

Glidepath  
Take Off

**+3.9%**

Glidepath  
Altitude

**+3.5%**

Glidepath  
Cruising

**+2.9%**

Glidepath  
Destination

### Our purpose

We help members be confident in their financial future so they can enjoy retirement.

Qantas Super sponsors research. **Measuring confidence matters.**

How confident are you that you will have enough money for retirement? New research measures how all Australians feel about their retirement.

This an important topic so we have sponsored independent research by CSBA\* to track how confident Australians are about affording retirement.

The quarterly research will help improve knowledge about how Australians feel about super and retirement planning. It asks questions such as whether you know how much money you need to retire and whether you feel you can rely on your super.

And the early results show we are not very confident at all. The score was 5 out of 10. That's barely a pass mark. People were asked to respond on a score from 1 to 10 of how confident they felt.

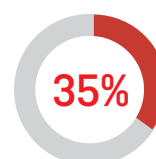
More than 53% of people do not know how much money would be needed for a comfortable retirement.

The majority (54%) agree that external factors like the cost of living, government changes and global economic and political uncertainty make it difficult to prepare for retirement.

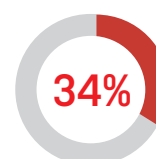
Read on to learn how we are helping to increase your confidence.



Little to no confidence



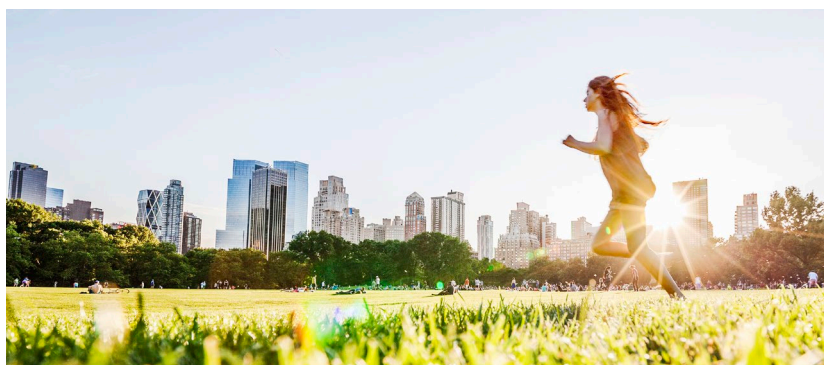
Some confidence



Higher levels of confidence

\*April 2018 findings.

## Key achievements in 2017/2018 (continued)



### Spare time? Get Super Fit

Find yourself with spare time? Use it profitably by learning more about money.

Many of our members have said a lack of knowledge makes it difficult to feel confident dealing with money matters, especially your super. We've tried to take the mystery out of money matters for you and make learning easier.

Qantas Super Fit, which launched in June 2017, can be used on any device. You choose the areas you are interested in. There are a total of 20 educational modules you can try at your own pace. You can start with some general financial topics and also learn how super works.

Topics include:

- Budgeting tips
- Topping up your super
- Investing
- Protecting your wealth
- How defined benefits work
- Life after work



"Offer education and more explanation in the product."



"Education that is unbiased would be a great addition."

We've worked on ways to improve your confidence about your financial outlook. A few simple actions could improve your financial situation.



"Not sure I have chosen the best investment options: global volatility always a worry."



"I am just a bit confused with superannuation."

### Feeling confused about your choices? Talk to the experts.

When you are not sure about your finances, it makes sense to talk to the experts.

Qantas Super is investigating ways to make financial advice more accessible to you in a cost-effective manner.

In September 2017 we began trialling having qualified financial advisers available in the workplace. Advisers can help provide limited advice about retirement and answer questions about defined benefits, contributions, insurance and investments.

Each month we visited Qantas bases across Australia including Sydney International, Melbourne Airport and Sydney Jetbase. Members at these locations took advantage of personal sessions with the advisers.

Given great member response, this program will continue.

33 sessions

1,800 members participated

93-95% surveyed said the adviser answered all their questions.





Keeping you  
informed

## Music to your ears. Use Qantas Super for your second job.

If you have a second job you can now have your external employer pay your super directly into your Qantas Super account. This benefits Qantas employees like Azumi Lehmann who is both a Qantas Flight Attendant and a part-time harpist.

This new feature allows you to keep things simple and avoid the extra fees from having multiple super accounts.

To arrange this you can sign a simple form available on our website and give it to your other employer or call us if you get stuck.



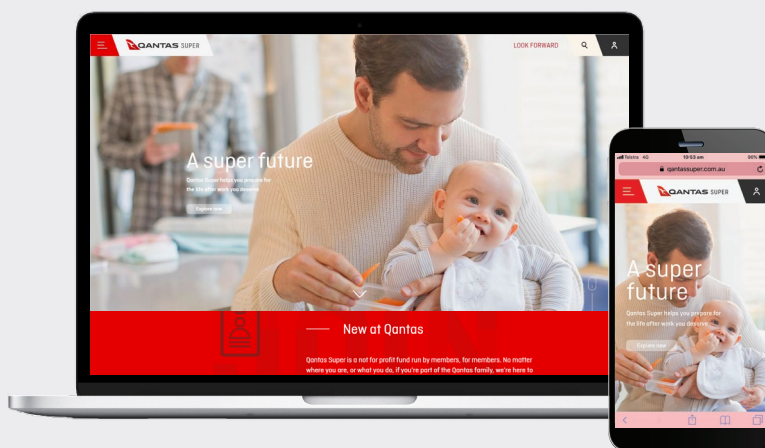
## Online experience upgraded. Enjoy your website journey.

The Qantas Super public website has been redesigned to improve your browsing experience. In fewer clicks you can find what you are looking for.

You will be able to find the information you want more easily as content has been reorganised to reflect your needs at different stages of your journey. Simpler language and structure make it quick for you to take action or find the information you are looking for.

There are separate sections depending on whether you have just joined Qantas Super or have been a member for a while. There are also separate sections for planning retirement and enjoying life after you stop work.

We based the structure and content on member research to ensure the new site better meets your needs.





## Key achievements in 2017/2018 (continued)

### In your neighbourhood. Chat to Qantas Super teams.

A quick chat is often all it takes. Qantas Super is accessible to answer your queries anytime.



"I need to start contributing to my super. I don't believe at this stage that I'll have enough super when I retire otherwise."

Qantas Super is coming to your neighbourhood so we can keep you updated and help you with the information you need.

Our team have pop-up info booths in workplaces across Australia. We're there to answer your questions about your money, how it is invested and what you can do to help it grow. Drop by to ask questions about your super and your benefits or just have a chat!

At our pop-up info booths you can try out the new virtual reality game. We developed this to prompt thought about the future. It's a fun quiz show experience that allows you to see first hand what making contributions can do for you. There were 24 Virtual Reality (VR) sessions held during June 2018 with about 950 Members testing it out and a number of these members considering contributing more to their super.

Over the year we have had face-to-face contact with 3,300 Members, approximately 10% of our membership base. We visited Perth, Brisbane, Melbourne and Sydney airports. We also visited regional areas including Canberra, Darwin and Tamworth.

If you want to learn more about specific topics, consider attending a seminar. During the year we conducted sessions at Mascot on 'planning the retirement you want' and 'grow your wealth'. You can see where we will be next by checking the website.

Qantas Super successfully partnered with Qantas People Services to rollout a 'transition-to-retirement' program for the Engineering division across 15 locations nationally. The program included a seminar on retirement planning followed by a Q&A opportunity by a dedicated workplace adviser.

During July Qantas Super provided 40 seminars and held 17 full days of personal advice sessions, in Catering at Brisbane, Sydney, Melbourne and Perth locations. These sessions were scheduled to provide support and information to Q Catering and Snap Fresh members.



"I didn't start my super account until later in life and didn't realise how important it is until the last few years of my employment."





## Growing confidence. CEO shares tips.

CEO Michael Clancy regularly visits sites and takes the opportunity to talk to members. This year he visited regional airports including Tamworth and Canberra. It was his third visit to the Tamworth base.

Michael shares five tips to help you feel more confident about your money.

1. Try to put more money into your super to boost the value of your account. To start contributing, visit the website to find out how.
2. Bring your super together. This is important if you have multiple accounts as you can pay less in fees. Check that you are not losing any important benefits like insurance or being charged extra fees before you do.
3. Let us know who you want your super to go to if anything happens to you by making a death nomination, or even better, a binding death nomination. All the necessary information about those is on our website.
4. Get to grips with the some of the money basics by doing some quick online training with Qantas Super Fit. This helps to build a foundation of knowledge you can apply to all money matters. There is no charge for this program, which you can find online.
5. Get help. You can attend seminars or arrange for one-on-one financial advice at no extra cost. Contact us to organise this.



"I planned well in advance and used salary sacrifice to ensure I would have enough money when I retired, and I'm now reaping my rewards."

## Key achievements in 2017/2018 (continued)

### Retirement options to be enhanced. Budget proposals.

The last Budget included initiatives to improve retirement policy.

- Super funds will be required to develop a strategy to help members achieve their retirement income objectives and to offer products which provide a regular income for life
- There will be a new approach to how retirement income products are disclosed, to simplify and standardise the information
- There are also proposed new rules around how certain lifetime income products will be means tested for the Age Pension
- The Pension Loans Scheme will be expanded to cover everyone over the Age Pension age. The maximum combined Age Pension and Pension Loans Scheme income stream will be increased to 150% of the Age Pension rate. This will enable eligible individuals to use the equity in their home to increase their income

### Royal Commission. What it means for you.

Members may have been concerned about some of the findings and evidence from the Government's Royal Commission. Qantas Super did not appear at the Commission.

In 2018 there was a Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The Commission finished its main hearings in September 2018.

Members will have seen some evidence about some providers charging fees for services that were not provided and maintenance of commissions and other conflicted fee arrangements. Other hearings addressed insurance practices.

There will be a final round of hearings later in November and the final report is due in February 2019.

It is likely there will be further regulation to address some of the issues raised. We welcome any actions which strengthen our retirement system and improve member confidence.

# Other changes

## Summary of changes during the year

TOPIC	Applicable divisions / Members				
	Gateway, 1, 2, 3, 3A, 3AN, 4, 12, 15	5, 6	7	7 (Network Aviation)	10
<b>SEPTEMBER 2017</b>					
Significant Events Notice. Important updates to your insurance on these topics:					
— You'll be covered by automatic income protection			✓		✓
— Some conditions or definitions have changed	✓	✓	✓	✓	✓
— You can opt out of your Standard Cover		✓	✓	✓	✓
— The way your insurance cover is calculated is changing		✓	✓	✓	✓
<b>DECEMBER 2017</b>					
— Annual Report 2017			All members		
<b>MARCH 2018</b>					
— Change to Cash investment option			All members		
— Quitting investment in tobacco			All members		
— Introduction of Insurance in Superannuation Code of Practice			All members		

Please call us if you'd like to know more about any of the changes listed above.

# Your Board of Directors

as at 30 June 2018

## Company-appointed Directors



**Anne Ward**

- Chair of Qantas Superannuation Limited Board
- Chair of Nominations Committee
- Member of Investment Committee
- Member of Remuneration Committee

Anne joined the Qantas Super Board on 2 April 2004, and was appointed Chair the following year. She is a professional company director with extensive experience in the financial services sector, spanning banking, insurance, wealth management, superannuation and investments.

Anne is a Non-Executive Director and Chair of Colonial First State Investments Limited and Avanteos Investments Limited. She is a Board Member of the MYOB Group Ltd and Redbubble Ltd (both ASX-listed) and was Chairman of the Zoological Parks and Gardens Board in Victoria.

Anne is currently a member of the Council at RMIT University, a Director of the Foundation for Imaging Research, and a Governor of the Howard Florey Neuroscience Institutes. Prior to becoming a professional director, Anne was a commercial lawyer for 28 years and was General Counsel for Australia at the National Australia Bank. She holds a Bachelor of Laws and a Bachelor of Arts from the University of Melbourne. Anne is admitted as a barrister and solicitor in the Supreme Court of Victoria, and is a Fellow of the Australian Institute of Company Directors.



**Paul Costello**

- Chair of Investment Committee
- Member of Remuneration Committee
- Member of Insurance Committee

Paul Costello was appointed to the Qantas Super Board on 26 May 2014. Paul had extensive experience in investments, governance, operations and superannuation policy. He was a member of the International Advisory Council of the China Investment Corporation, and Chairman of the QIC Global Infrastructure Investment Committee.

Until recently, Paul was Chairman of the Blackstone Group in Australia and New Zealand. Between 2011 and 2012, he was an advisor to the Federal Government in the role of Associate Commissioner for the Productivity Commission review into default superannuation and Chair of the peak Consultative Group for the implementation of Stronger Super. Prior to that role, he was the inaugural Managing Director of the Future Fund and the first CEO of the New Zealand Superannuation Fund.

Paul held a Bachelor of Arts in Business Administration from Canterbury University in New Zealand. He also had a Graduate Diploma in Business Administration from Massey University, New Zealand.

Paul passed away on 5 November 2018.





### Cecilia Ho

Treasurer Risk Management,  
Qantas Airways Ltd

- Member of Investment Committee
- Member of Audit and Risk Committee
- Member of Insurance Committee

Cecilia joined Qantas in 2007 and was appointed to the Qantas Super Board on 28 January 2015. She has over 15 years' experience in Treasury-related roles.

Cecilia is currently Treasurer Risk Management of Qantas Airways Limited and, as such, is responsible for the financial risk management for Qantas Group. This includes management of the A\$4bn-plus p.a. exposure to jet fuels price risk, foreign currency risk including Qantas Airways' US\$9bn committed capital expenditure program and its operating revenues earned in more than 80 countries, interest rate risk on the Qantas A\$7bn of balance sheet debt and A\$4bn of off-balance sheet operating leases, as well as a cash balance and liquidity of more than A\$3bn. She has also been a member of Qantas Airways' US Pension Plan Investment Committee since June 2008.

Prior to joining Qantas, Cecilia was Treasury Dealer for Western Power. Cecilia holds a Bachelor of Commerce, Bachelor of Science, Graduate Diploma of Applied Finance and Investment, and Master of Business Administration.



### Andrew Monaghan

Executive Manager Group Audit and Risk,  
Qantas Airways Ltd

- Chair of Audit and Risk Committee
- Member of Nominations Committee
- Member of Remuneration Committee

Andrew Monaghan joined Qantas in 2005 and was appointed to the Qantas Super Board on 26 November 2014. He is the Executive Manager Group Audit and Risk, and is responsible for providing assurance to the Qantas Board Audit Committee on the management of risk, corporate governance and controls across the Qantas Group.

Andrew started at Qantas in the role of Airport Manager and has held several positions across the Group in portfolio areas including strategy, operations, services, transformation, property, HR and finance. He most recently held the role of Executive Manager Shared Services and Program Director for the Finance Transformation program.

Prior to joining Qantas, Andrew held a range of senior roles with Lincoln Electric including serving as a Director of the Trustee of the Lincoln Electric Superannuation Plan. Andrew holds a Bachelor of Engineering.



### Rachel Yangoyan

Executive Manager Loyalty Services,  
Qantas Airways Ltd

- Chair of Member Experience Committee
- Member of Audit and Risk Committee

Rachel joined Qantas in 2003 and was appointed to the Qantas Super Board effective 10 November 2016. She is the Executive Manager Loyalty Services, and is responsible for data and insights for the Qantas Frequent Flyer Program, loyalty program design, member engagement strategies and adjacent businesses including the Qantas Frequent Flyer reward Store, Qantas epiQure, and Qantas Golf Club.

Trained as a Chartered Accountant, Rachel commenced her career at Ernst and Young in audit and first joined Qantas in 2003 in the internal audit department. Rachel has held a range of positions throughout her time at Qantas including strategy, transformation, revenue management, customer segmentation, operations and airport contracts.

Rachel holds a Bachelor of Business and is a qualified Chartered Accountant.

## Your Board of Directors (continued)

### Member-elected Directors



**Mark Thorpe**

First Officer (Group A)

- Chair of Insurance Committee
- Member of Investment Committee

Mark was elected to the Qantas Super Board on 12 June 2008. He is a First Officer on the Airbus 330 and has been a pilot with Qantas since 1999. Prior to becoming a pilot, Mark was an Actuary and worked with Towers Perrin as a superannuation consultant. He has more than 20 years' experience in various roles in the superannuation industry.

Mark holds a Bachelor of Economics, is a Fellow of the Institute of Actuaries of Australia, and is a Fellow of the Australian Institute of Company Directors.



**Bruce Roberts**

Customer Service Manager (Group B)

- Member of Member Experience Committee
- Member of Insurance Committee
- Member of Nominations Committee

Bruce was elected to the Board on 30 September 2016. He's been a flight attendant with Qantas Airways Ltd since 1995, and is now a Customer Service Manager in International.

Bruce was elected Vice President of the Flight Attendants Association of Australia – International in 2016. He's also an in-shift supervisor for the Lifeline phone room and a human services worker for Wesley Mission child and youth services. Previously he volunteered as a telephone counsellor with Lifeline Melbourne.

Bruce holds a Bachelor of Psychology (Honours) through Charles Sturt University, and an Associate Diploma of Business through RMIT.



**John Sipek**

Aircraft Maintenance Engineer (Group C)

- Member of Insurance Committee
- Member of Member Experience Committee
- Member of Remuneration Committee

John was elected to the Qantas Super Board on 12 August 2004. He is an Aircraft Maintenance Engineer in Battery Section Melbourne and has been with Qantas Airways Ltd for more than 20 years. John is a senior union delegate with the Aircraft Workers' Union.

Since 2004 John has been a Councillor of Moonee Valley City Council and is currently serving as the Mayor. He last served as Mayor from 2010 to 2011. He is also a Justice of the Peace in Victoria, and a former Victorian Multicultural Commissioner. Currently he is a Board member of the Victorian Local Governance Association, and is a long-time member of the Australian Institute of Company Directors.

John holds an Advanced Diploma of Business Management, and is studying for his Masters of Business Administration.



### Luke Murray

LAME Mechanical (Group D)

- Member of Member Experience Committee
- Member of Audit & Risk Committee
- Member of Investment Committee

Luke was elected by Group D Members on 20 October 2017 and appointed as a Director on 4 December 2017. He's a Licensed Aircraft Maintenance Engineer based in Brisbane and has been with Qantas since 1987. Luke is the current Assistant Federal Secretary for the Australian Licensed Aircraft Engineers Association (ALAEA).

Luke holds a Bachelor of Business (Accountancy) with Distinction from Queensland University of Technology and a Master of Commerce in Financial Planning from Griffith University.



### Hendrik van Calcar

Head of Group Finance, Planning and Analysis (Group E)

Hendrik was elected by Group E Members on 1 June 2018 and appointed as a Director on 21 June 2018. Hendrik has been with Qantas since 2004 and has held a number of roles across the Group including within the areas of Group Finance, Engineering, QantasLink and Qantas Domestic. He is currently the Group Head of Finance, Planning and Analysis for Qantas. In this role he's responsible for planning and analysis of the financial performance of the Qantas Group across the Profit and Loss, Cash Flow and Balance Sheet for Qantas, Jetstar and Qantas Loyalty.

Prior to joining Qantas, Hendrik worked in senior finance roles in the UK Telecommunications industry.

Hendrik holds a Bachelor of Commerce and is a qualified Chartered Management Accountant and Treasurer.

# Corporate governance

The Qantas Super Board is committed to sound corporate governance practices and adhering to relevant regulations set by the Australian Prudential Regulation Authority (APRA). The Board has adopted a charter that incorporates the objectives and key requirements of APRA's Prudential Standard SPS 510, Governance, and APRA's Prudential Practice Guide SPG 510.

The Qantas Super Board schedules four formal meetings a year, but meets more frequently if required. In 2017/2018 the Board met seven times (including circular resolutions).

The Board's purpose is to:

- Approve the strategic plan and annual business plan
- Provide strategic guidance to the management of Qantas Super
- Approve Qantas Super's overall risk appetite and monitor the effectiveness of the Risk Management Framework
- Take ultimate responsibility for the sound and prudent management of the business operations of Qantas Super
- Select and evaluate the performance of the Chief Executive Officer
- Provide oversight of management

Directors who are Qantas Group employees are not remunerated by Qantas Super or the Qantas Group for their duties as directors of Qantas Super.



## Board Committees

as at 30 June 2018

The Board has put in place standing committees (and, when needed, ad hoc committees for specific matters) which are designed to help the Directors manage the Board's functions and responsibilities. Board members are appointed to various committees depending upon their skills and experience, backgrounds, and to provide a diversity of views.

Each committee has at least one Company-appointed Director and at least one Member-elected Director.

### Investment Committee

Its purpose is to:

- Guide and oversee the implementation of the Investment Governance Framework
- Set investment objectives for the investment of the assets including objectives for each investment option
- Formulate and give effect to investment strategies for each investment option that has regard to the whole of Qantas Super's circumstances and other relevant factors prescribed by the Trust Deed, relevant law and regulatory requirements
- Monitor the performance of each of Qantas Super's investment strategies to determine whether Qantas Super's investment objectives are being or are likely to be met

Members: Paul Costello (Chair), Kash Gillies (until 22 October 2017), Cecilia Ho, Luke Murray (from 31 May 2018), Greg Manning (until 3 June 2018), Mark Thorpe and Anne Ward.

### Insurance Committee

Its purpose is to:

- Guide and oversee the implementation of the Insurance Management Framework
- Provide advice to the Board on the operation of Qantas Super's insurance program
- Provide advice to the Board on the Insurance Management Framework and Insurance Strategy
- Oversee the management and implementation of the Insurance Management Framework by relevant outsourced service providers

Members: Mark Thorpe (Chair), Paul Costello, Cecilia Ho (from 31 May 2018), Geoff McRae (until 20 September 2017) (external member), Bruce Roberts and John Sipek.

### Member Experience Committee

Its purpose is to:

- Guide and oversee the implementation of the member service objectives
- Provide advice to the Board on member-related strategies
- Provide advice to the Board on member services and product, whether this be the appropriateness of, or the enhancement of, such services and products
- Oversee both the strategy and implementation of member communications
- Oversee the management of Qantas Super's administration services to members
- Oversee the management of the financial advice offering
- Oversee the management of relevant outsourced service providers

Members: Rachel Yangoyan (Chair), Luke Murray (from 4 December 2017), Kash Gillies (until 22 October 2017), Andrew Monaghan (until 31 May 2018), Bruce Roberts and John Sipek.

## Corporate governance (continued)

### Audit and Risk Committee

Its purpose is to:

- Provide an objective non-management review of the effectiveness of financial reporting and Risk Management Framework
- Oversee and manage the Risk Management Framework, financial and tax management frameworks
- Oversee and manage APRA statutory reporting and other financial reporting requirements
  - Oversee and manage professional accounting requirements
  - Oversee and manage internal controls and systems
- Oversee and manage compliance with all relevant statutory and regulatory obligations and requirements, policies and guidelines as well as internal policies and standards
- Appoint, monitor and review the internal audit function and the external auditor and the internal and external audit process

Members: Andrew Monaghan (Chair), Cecilia Ho, Luke Murray (from 31 May 2018), Greg Manning (until 3 June 2018) and Rachel Yangoyan.

### Remuneration Committee

Its purpose is to:

- Guide the development and implementation of coherent remuneration, talent and performance management policies and practices
- Oversee the development and implementation of the People Management Framework and the Remuneration Policy
- Conduct a regular review of the People Management Framework and the Remuneration Policy including recommendations to the Board in relation to that Policy
- Oversee the annual remuneration review and make recommendations to the Board
- Review and make recommendations to the Board on Qantas Super objectives and key performance indicators (KPIs) relevant to the remuneration of the CEO, and then on the performance of the CEO in relation to the objectives and KPIs

Members: Greg Manning (Chair and member until 3 June 2018), Paul Costello, Andrew Monaghan (from 31 May 2018 and Chair from 20 September 2018), John Sipek (from 31 May 2018) and Anne Ward.

### Nominations Committee

Its purpose is to:

- Oversee the development of coherent policies and practices to implement governance arrangements in relation to the selection and appointment of Directors in accordance with the Board Composition Renewal and Performance Assessment Policy and the Rules for the Nomination, Appointment and Removal of Directors
- Review all nominations for appointment as a Director and candidates for election, including all fit and proper assessments
- Oversee processes and resolve disputes regarding the nomination, appointment, re-appointment and removal of Directors
- Review and approve all ongoing fit and proper assessments in respect of Directors and the Board as a whole
- Monitor and assess the aggregate skills and capabilities of the Board as a whole
- Plan for the orderly renewal of the Board over time
- Conduct a regular review of the Fit and Proper Policy and its effectiveness

Members: Anne Ward (Chair), Andrew Monaghan and Bruce Roberts.

## Directors' meetings

	Qantas Superannuation Limited Board		Audit & Risk Committee <sup>1</sup>		Insurance Committee <sup>1</sup>		Investment Committee <sup>1</sup>		Member Experience Committee <sup>1</sup>		Remuneration Committee <sup>1</sup>		Nominations Committee <sup>1</sup>	
Directors	Attended	Held <sup>2</sup>	Attended	Held <sup>2</sup>	Attended	Held <sup>2</sup>	Attended	Held <sup>2</sup>	Attended	Held <sup>2</sup>	Attended	Held <sup>2</sup>	Attended	Held <sup>2</sup>
Anne Ward	7	7	–	–	–	–	5	6	–	–	1	1	5	5
Paul Costello	5	7	–	–	8	8	6	6	–	–	1	1	–	–
Kash Gillies Retired October 2017	1	2	–	–	–	–	1	2	1	1	–	–	–	–
Cecilia Ho	7	7	4	4	2	2	6	6	–	–	–	–	–	–
Greg Manning Retired June 2018	6	6	4	4	–	–	6	6	–	–	1	1	–	–
Luke Murray Appointed December 2017	5	5	–	–	–	–	–	–	2	2	–	–	–	–
Andrew Monaghan	7	7	4	4	–	–	–	–	2	4	–	–	5	5
Bruce Roberts	7	7	–	–	8	8	–	–	4	4	–	–	4	5
John Sipek	7	7	–	–	6	8	–	–	4	4	–	–	–	–
Mark Thorpe	6	7	–	–	7	8	6	6	–	–	–	–	–	–
Hendrick van Calcar Appointed June 2018	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rachel Yangoyan	7	7	4	4	–	–	–	–	4	4	–	–	–	–

The Nominations Committee was established on 2 June 2017.

<sup>1</sup> Directors who aren't members of a Committee are entitled to attend Committee meetings. The table above shows only the attendance of each Director where and whilst they are a member of the relevant Committee.

<sup>2</sup> The number of meetings held during the period that the Director held office (and, where applicable, includes the number of Circular Resolutions passed).

# Qantas Super Executive Office

The Executive Office, led by the Chief Executive Officer, is responsible for the management of Qantas Super.

This involves:

- overseeing the administration, investments and operations of Qantas Super
- planning, developing and implementing strategy
- developing products
- ensuring we comply with legislative and regulatory requirements
- communicating with members

## Senior Executive Team



**Michael Clancy**

Chief Executive Officer

— Member since 2015

**Role:** Responsible for the overall management of Qantas Super.

**Appointed:** 2015.

**Experience:** Over 25 years' experience in the financial services industry, with particular focus on the superannuation, investment and insurance sectors.

**Previous roles:** National Australia Bank.

**Education:** Bachelor of Business in Finance and Economics. Chartered Financial Analyst.

**Other:** Member on Anglicare Sydney Board (Chair of Finance and Investment Committee). Director of the Association of Superannuation Funds Australia (ASFA) Board (Chair of the Finance and Risk Committee). Member of the Australian Institute of Company Directors, and the CFA Institute. Co-Founder and Director of cloud-based wealth advice service, BigFuture.

**Previous Board positions:** Executive Director or Non-Executive Director on the Superannuation Trustee Boards at NAB, WealthHub Securities Limited, Plum Financial Services Limited, National Corporate Investment Services Limited, and the CFA Society of Sydney.



**Andrew Spence**

Chief Investment Officer

— Member since 2008

**Role:** Responsible for the overall management of Qantas Super's investments.

**Appointed:** 2008.

**Experience:** Over 30 years' experience in all aspects of professional money management with leadership roles in investment management and investment consulting.

**Previous roles:** Towers Watson, Credit Suisse Asset Management.

**Education:** Bachelor of Science (Honours) in Accounting and Finance.

**Other:** Member of The University of Sydney Investment & Commercialisation Committee, Member of the Australian Institute of Company Directors



**Hugh Loughrey**

Head of Legal, Risk and Compliance

— Member since 2011

**Role:** Responsible for the risk management function and the provision of legal advice and support to Qantas Super.

**Appointed:** 2011.

**Experience:** Over 25 years' wealth management experience in Australia and overseas in a range of senior legal and risk management roles.

**Previous roles:** BT Financial Group, William M Mercer.

**Education:** Bachelor of Civil Law.

**Other:** Admitted to practice law in New South Wales, Ireland, England and Wales. Former member of the New South Wales Law Society Corporate Lawyers Committee. Member of the ASFA Super System Design Policy Council.





**Stuart Langeveldt**

Head of Member Experience

— Member since 2017

**Role:** Responsible for all aspects of the member experience.

**Appointed:** 2017.

**Experience:** 20 years in brand, marketing, and communications in financial services.

**Previous roles:** AMP Capital, Stockland, Cuscal Limited, Commonwealth Bank.

**Education:** Master of Business (Marketing).



**Peter Savage**

Chief Operations Officer

— Member since 2009

**Role:** Responsible for all operational aspects of Qantas Super including member and investment operations.

**Appointed:** 2009.

**Experience:** 18 years in financial services.

**Previous roles:** J.P. Morgan, Chase Manhattan Bank, Mercantile Mutual.

**Education:** Bachelor of Business (Banking and Finance), and a Master of Business Administration (Information Technology).



**Andy Moser**

Head of Finance

— Member since 2013

**Role:** Responsible for all financial matters of Qantas Super.

**Appointed:** 2013.

**Experience:** Eight years' experience in the financial services industry.

**Previous roles:** KPMG Sydney, Austrian Consulate General (Sydney).

**Education:** Masters of Professional Accounting. Masters of Business Administration. Member Institute of Chartered Accountants Australia.



**Neil Simpson**

Company Secretary

— Member since 2014

**Role:** Responsible for all company secretarial activities.

**Appointed:** 2014.

**Experience:** Over 20 years of combined company secretarial, corporate governance and compliance experience.

**Previous roles:** Lend Lease (including the Lend Lease Super Fund), MLC / NAB, Mirvac.

**Education:** Bachelor of Business. Diploma in Applied Corporate Governance. Member of the Governance Institute of Australia. Chartered Secretary.

# Investments

## Our key investment beliefs

Our investment performance is guided by a strong set of investment beliefs, executed as cost efficiently as possible.

To achieve our investment mission, the following investment beliefs guide our investment strategy:

- We believe that investment strategy is critical. We employ the best talent in-house to proactively manage risk exposures to create and protect value for members
- We believe that investment management and implementation should be undertaken by 'best in class' investment partners specifically selected to meet your investment needs. We actively manage over 25 investment partners and continuously review their performance
- We believe that market risk exposures are the most important drivers of portfolio outcomes. A comprehensive view of all risks is required to manage portfolios effectively
- We believe that appropriate risk diversification increases the probability of achieving our stated investment objectives and helps to deliver a smoother path of returns
- We believe that environmental, social and governance (ESG) factors can impact investment risks, returns and reputation. We actively exercise share ownership rights and constructively engage with company boards about material ESG issues
- We believe that there is a positive relationship between sound investment governance and investment performance
- We believe that effectively managing all expenses is very important to maximising investment returns

### Our investment mission and beliefs

We believe in a 'safety-first' approach when it comes to managing your superannuation investments. We focus on investing for the long term and choose high quality, value for money investments. It's an approach that takes into account the risks and rewards. We then create investment options for you to choose based on your personal risk profile – the level of risk you're prepared to take. This way we help you weather market ups and downs in the best way possible to meet your retirement goals.



## Investment performance

### Performance

#### Super

Returns to 30 June 2018 (% p.a.)

Investment option	1 year	3 years p.a.	5 years p.a.	7 years p.a.	10 years p.a.	Since inception <sup>1</sup>
Aggressive	11.9	7.8	9.6	8.9	6.4	7.1
Growth	10.0	6.9	8.1	7.7	6.0	6.5
Balanced	8.1	5.6	6.7	6.6	5.7	6.0
Conservative	5.9	4.4	5.0	5.2	5.0	5.1
Cash	1.6	1.7	1.8	2.3	2.8	3.3
<b>Glidepath</b>						
– Take-Off	12.0	–	–	–	–	8.9
– Altitude	10.0	–	–	–	–	7.6
– Cruising	9.1	–	–	–	–	6.8
– Destination	8.0	–	–	–	–	5.9

<sup>1</sup> Since inception returns are for the period from the investment option's commencement date which are: 1 October 2015 for Glidepath and 1 April 2005 for Aggressive, Balanced, Conservative and Cash. The since inception return for Growth is for the period from 1 April 1995. Where a 10 year return is not available, a since inception return is shown.

#### Retirement (Gateway Income)

Returns to 30 June 2018 (% p.a.)<sup>1</sup>

Investment option	1 year	3 years p.a.	5 years p.a.	7 years p.a.	10 years p.a.	Since inception <sup>2</sup>
Aggressive	12.9	8.6	10.8	10.0	7.3	5.7
Growth	10.9	7.5	8.9	8.6	6.7	5.5
Balanced	8.9	6.1	7.5	7.5	6.5	5.6
Conservative	6.6	4.9	5.6	5.9	5.8	5.4
Cash	1.8	1.9	2.1	2.7	3.3	3.6
<b>Glidepath</b>						
– Take-Off	12.9	–	–	–	–	9.7
– Altitude	10.9	–	–	–	–	8.3
– Cruising	9.9	–	–	–	–	7.3
– Destination	8.9	–	–	–	–	6.6

<sup>1</sup> Since 1 October 2015, Qantas Super's retirement solution for members has been offered in our Gateway division (previously offered in Divisions 9 and 14). Returns shown are based on the returns of the corresponding investment options previously available through Division 9.

<sup>2</sup> Since inception returns are for the period from the investment option's commencement date which are: 1 October 2015 for Glidepath, 1 September 2002 for Growth and 1 July 2007 for Aggressive, Balanced, Conservative and Cash.

#### Important information

These returns are compound average effective rates of return, net of tax and fees.

Returns shown are average annual returns and are not the actual returns you've received on your super in each investment option or in Qantas Super. The actual investment return for your super will depend on the period of time you were invested in an investment option and the timing of transactions in and out of your account. Past performance is not a reliable indicator of future performance.

## Investments (continued)

### How your money took flight this year

Our investment options performed well against their long-term objectives. For all options except for the Aggressive option we have exceeded our desired return objective.

Investment option	Actual return (%)	Return objective (%)	Difference (%)
Glidepath – Take-off*	12.0 over 10 years	7.1	4.9
Glidepath – Altitude*	10.0 over 7 years	6.1	3.9
Glidepath – Cruising*	9.1 over 6 years	5.6	3.5
Glidepath – Destination*	8.0 over 5 years	5.1	2.9
Aggressive	6.4 over 10 years	6.8	(0.4)
Growth	7.7 over 7 years	5.9	1.8
Balanced	6.7 over 5 years	5.1	1.6
Conservative	4.4 over 3 years	3.8	0.6
Cash	1.6 over 1 year	1.5	0.1

\* Return objectives for Glidepath are one year to 30 June 2018.

### How we achieved these results. Taking advantage of global opportunities while weathering the storms.

Driving this year's results were solid returns in global markets coupled with some clever decisions from our investment team, which helped avoid most of the market turbulence. Our continued preference for international shares paid off, with our global shares portfolio returning 14.4%, compared to 11.4% from our Australian shares portfolio.

The real performance standouts were from investments held in our real assets portfolio. Investments in Asian renewable energy infrastructure and timberland assets in Australia produced strong results. Our infrastructure portfolio earned an impressive 25.1%.

This was partly a result of the \$120 million profit from the sale of an Asian renewable energy company. In addition our holdings in Australian timberland returned 17.4% since our original investment in August 2017. This money has gone into your super this year – and you'll see it through higher investment returns.

Since March 2018 we no longer invest in tobacco manufacturers. Excluding tobacco is in line with our sustainable growth investment belief, with better investment opportunities available elsewhere. We now join more than 35 other super funds who have also withdrawn from investing in tobacco manufacturers.

From 4 April 2018 the Cash investment option was invested into a bank account with ANZ Bank. For members in the Cash investment option this means a slightly higher return as the cash held in the account will receive a rate equal to the Reserve Bank of Australia rate plus 0.75% p.a.

Overall, our investment decisions charted a steady course through turbulent markets, to deliver real value to you. One measure of that value is tracking the difference between our returns and the wider market. After fees and tax, this amount for the year to 30 June 2018 was 1.35% – an outstanding result which compares favourably with our five-year target of 0.50% per year.

Rest assured, your money will continue to be invested in long term, high quality, value for money investments. We believe a balanced approach to taking investment risk is the responsible way to deliver attractive returns over time so you can look forward to your retirement rather than worry about it.

You can learn more about our range of investment approaches on pages 30 to 34.

## How investment markets have performed

If you watch the market, you'll know these results were achieved against a backdrop of considerable turmoil yet strong economic growth. In the US, markets initially surged ahead, encouraged by the Trump administration's success in passing tax cuts worth US\$1.5 trillion over 10 years. But that surge came to a halt in early-2018 as investors became concerned about trade tensions between the US and its global trading partners.

In Europe, these trade concerns were exacerbated by ongoing political turmoil. There were inconclusive elections, which left Italy without a government for three months, and Brexit negotiations plodded along with no clear end in sight. This uncertainty saw the strong share returns that were experienced globally exclude Europe.

In the last quarter of FY 2018, emerging markets suffered from a rapidly rising US dollar, reducing their attractiveness to US investors and making it harder for cash-strapped governments to repay dollar-denominated debt.

The Australian share market had a strong year but uncertainty surrounding the Royal Commission into misconduct in the banking, superannuation and financial services industry saw Australian share returns lower than their global counterparts.

Despite all this, the long-term economic outlook remains fairly positive. The International Monetary Fund (IMF) predicts overall global growth of 3.9% for 2019, with the Australian economy forecast to grow over 3%.

2017/2018 had strong performance despite a backdrop of considerable uncertainty.





## Investments (continued)

### About our investment options

as at 30 June 2018

Our investment options are invested in different asset classes. Generally asset classes are divided into two types: growth assets and defensive assets.

#### Growth assets

Growth assets are investments that are expected to deliver higher returns over time. Growth assets include Australian and global equities and private equity.

- **Equities** – Equities (or shares) represent a share of the ownership of companies either through listed exchanges or private equity. Their return is derived from dividends paid to shareholders from company profits, and from changes to the share price or capital value
- **Growth alternatives** – There are a range of growth assets used by Qantas Super. These may include unlisted infrastructure, unlisted property, high yield corporate bonds and emerging market debt. These are specialist asset classes. Their returns are derived from a combination of dividends, distributions and interest, plus changes in the capital value of the assets

#### Defensive assets

Defensive assets are investments that are expected to provide lower and more stable investment returns, and diversification benefits when combined with growth assets.

- **Defensive alternatives** – These may include hedge funds and other defensive strategies

- **Fixed Interest** – Fixed interest investments or bonds issued by public organisations and companies. Each bond will normally have a fixed rate (and dates) of interest payments, and the original capital is repaid at the end of the bond term. Because bonds can be traded, their market value will vary throughout the term of the bond. Bonds are available in Australia and overseas
- **Cash** – Some cash investments may be placed with financial institutions, which pay interest on these amounts. Cash investments are generally 'on-call' which means they can be accessed at any time

Each of our investment options has its assets invested in different proportions. Refer to the website or the Investment Guide for more information.

#### Investment limits

We manage investment risk in a number of ways.

- Investment management and implementation is outsourced to external investment managers. This extends to the use of derivatives. We do not directly use derivatives. Although investment managers are permitted to use futures, options, swaps and other derivative instruments, they are not permitted to use derivatives to gear the portfolio

- To limit concentration risk to an external investment manager and to be consistent with our diversification belief, we ensure that no more than 20% of our assets by value are invested with any single investment manager. Our centralised portfolio manager, Parametric, manages 100% of Qantas Super's investments in Australian and global equities. However, the centralised portfolio that Parametric manages is based on model portfolios provided by 13 of our underlying investment managers. We are satisfied that the concentration of assets within the Parametric structure is appropriately diversified

- To ensure member assets are well diversified, no one single asset represents more than 5% of total assets

Additionally, as at 30 June 2018:

- Three investment managers individually managed more than 5% of the total assets
- We had approximately \$6.26 million (at market value) invested in Qantas Airways Ltd via the investments selected and managed by our investment managers. These investment decisions are made independently of Qantas Superannuation Limited

## Summary of our investments across asset classes

Our investments are reviewed on an ongoing basis to make sure they remain appropriate and contribute to helping meet the specific investment objectives of each option. A summary of our investments across asset classes is presented in the table below.

		30 June 2018 (\$ million)	30 June 2017 (\$ million)	Change (\$ million)
Growth assets	<b>Equities</b>			
	Australian equities	1,287.1	1,211.7	75.4
	Global equities	2,162.3	1,961.0	201.3
	Private equity	338.4	354.8	-16.4
	Total equities	3,787.8	3,527.5	260.3
	<b>Growth alternatives</b>			
	Opportunistic growth alternatives	305.5	334.0	-28.5
	Infrastructure	315.2	429.3	-114.1
	Property	257.8	243.3	14.5
	Timberland	144.3	-	144.3
	Agriculture	22.2	-	22.2
	Total growth alternatives	1,045.0	1,006.6	38.4
Defensive assets	<b>Defensive alternatives</b>			
	Diversity	391.0	377.8	13.2
	Multi-strategy	350.1	310.3	39.8
	Total defensive alternatives	741.1	688.1	53.0
	<b>Fixed interest</b>			
	Credit	379.1	368.6	10.5
	Fixed interest (other)	1,299.0	1,176.1	122.9
	Total fixed interest	1,678.1	1,544.7	133.4
	<b>Cash</b>	741.8	653.6	88.2
	Total assets*	7,993.8	7,420.6	573.2

Please note: The 'Total assets' figure (\* in above table) and the 'Net assets to pay benefits' figure (on page 36) are different for the following reason. The basis of valuation for actual asset allocation purposes is Gross Market Value. The basis of valuation for total managed investment portfolios and the audited abridged financial statements (page 36) is Net Market Value. You can see the asset allocation for each investment option (as at 30 June 2018) by visiting [www.qantassuper.com.au](http://www.qantassuper.com.au). Totals may not add due to rounding.

## Investments (continued)

### Our investment managers

Our managers are geographically diverse, and located in Sydney, London, New York, Seattle, Boston, Portland, Singapore, Melbourne, Brisbane, Edinburgh, Dublin, Japan, Beijing, Taipei, Hong Kong, Bangkok, Manila, Bangalore, Jakarta, San Francisco, Canada and Stamford. We monitor the appropriateness of our investment managers in relation to our objectives and strategies on an ongoing basis.

<sup>1</sup> Parametric Portfolio Associates LLC ("Parametric") is Qantas Super's Centralised Portfolio Manager for Australian equities and global equities. Parametric has centralised the management of Qantas Super's Australian equities based on model portfolios (marked with \* in the table) provided by Qantas Super's Australian equities managers including DNR Capital Pty Ltd, Ellerston Capital Limited, Plato Investment Management Limited and WaveStone Capital Pty Ltd. In addition, Parametric has centralised the management of Qantas Super's global equities based on model portfolios (marked with \* in the table) provided by its global equities managers including Acadian Asset Management LLC, Black Creek Investment Management Inc, Columbia Management Advisers LLC, Dalton Investments LLC, GQG Partners LLC, Origin Asset Management LLP, Realindex Investments Pty Limited, Wasatch Advisors, Inc and Wells Capital Management, Inc.

Investment managers as at 30 June 2018	Market
<b>Australian equities</b>	
DNR Capital Pty Ltd*	Australian
Ellerston Capital Limited*	Australian
Parametric Portfolio Associates LLC <sup>1</sup>	Australian
Plato Investment Management Limited*	Australian
WaveStone Capital Pty Ltd*	Australian
<b>Global equities</b>	
Acadian Asset Management LLC*	Global
Black Creek Investment Management Inc*	Global
Columbia Management Investment Advisers, LLC*	Emerging
Dalton Investments LLC*	Global (Asian)
GQG Partners LLC*	Global
Origin Asset Management LLP*	Global
Parametric Portfolio Associates LLC <sup>1</sup>	Global
Realindex Investments Pty Ltd*	Global
Wasatch Advisors, Inc*	Global
Wells Capital Management, Inc*	Emerging
<b>Private equity</b>	
ROC Capital Pty Limited (including QPET)	Global
<b>Opportunistic Growth Alternatives</b>	
Bain Capital, LP	Distressed and Performing Credit
BlackRock Inc	Emerging Market Debt
Longreach Alternatives Ltd	Gas and Oil Royalties
<b>Infrastructure</b>	
Equis Funds Group Pte Ltd (QAIF Limited)	Global (Asian)
Palisade Investment Partners Ltd (Q Infrastructure Trust)	Australian
<b>Property</b>	
APPF Retail	Australian
Goodman Funds Management Australia Limited	Australian
GPT Funds Management Limited	Australian
<b>Timberland</b>	
Campbell Global, LLC	Global
<b>Agriculture</b>	
Agriculture ROC	Australian
<b>Defensive Alternatives</b>	
K2 / D&S Management Company LLC	Global Hedge Funds
Invesco Ltd	Multi-strategy
Man Risk Premia SPC	Alternative Risk Premia
SouthPeak Investment Management	Multi-strategy
<b>Fixed Interest</b>	
Metrics Credit Ltd	Australian – Credit
AXA Investment Management Ltd	Global – Credit
Westbourne Credit Management Limited (Q Infrastructure Yield Trust)	Global Infrastructure Debt
Ardea Investment Management Pty Limited	Australian
Pendal Institutional Limited	Australian
H2O Asset Management LLP	Global
T.Rowe Price International Ltd Global	Global
Jamieson Coote Bonds Pty Ltd	Australian
<b>Cash</b>	
Russell Investment Management Limited	Australian
Australian and New Zealand Banking Group Limited (ANZ)	Australian
<b>Overlays</b>	
Russell Investment Management Limited	Whole of Plan

## Investment returns

Investment returns for each investment option (except the Term Deposit option) are applied using credited interest rates (CIRs). A history of our investment performance – both quarterly and against our investment objectives – and our CIRs are available on our website.

### Credited interest rates

CIRs represent, as far as practicable, the net investment returns (net of investment tax) on the assets for each investment option, after investment fees have been deducted. CIRs can be positive or negative. The CIR for each of the investment options is determined by the Trustee at least weekly, and is published on our website.

The actual investment earnings applied to your account are based on the CIRs for the investment options you are invested in, the period of time that you were invested in the investment options, and the timing of cash flows into and out of your account. When applied to your account, annualised CIRs will be used, pro-rated on a daily basis.

### Interim credited interest rates

Where CIRs are not available, interim credited interest rates (ICIRs) determined by the Trustee are applied to your account. ICIRs may be positive or negative. The ICIRs for a period will be replaced by the final CIRs for that period once they have been calculated. The Trustee reviews the ICIRs on a regular basis and may increase or decrease the ICIRs applied to your account any time.

### Managing your investment options

You can actively manage the investment of your super with our range of investment options, by choosing one or a mix of investment options. See pages 30 to 34 for a list of our investment options. If you don't choose an investment option<sup>1</sup>, your account will be invested automatically in the default option, which is:

- Glidepath – for accumulation Divisions 3A, 5, 6, 7, 10 and Gateway
- Growth – for defined benefit Divisions 1, 2, 3, 4, 12 and 15

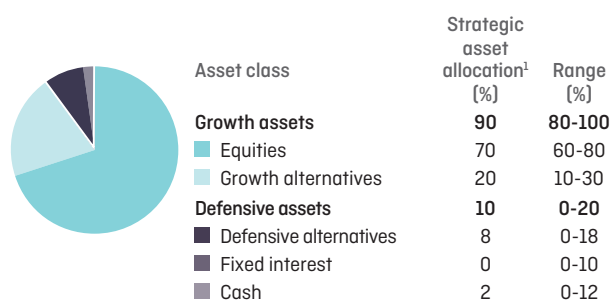
<sup>1</sup> If you're a member of a Qantas Super defined benefit division, investment choice only applies to certain accumulation accounts (please call the Qantas Super Helpline on 1300 362 967 if you'd like more information about this). For Income Accounts in Gateway, no default option applies and you are required to make a choice when completing your application form.

## Investments (continued)

## The Glidepath option – investment stages in detail

as at 30 June 2018

### Take-Off



#### 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 stage aims to:

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

#### Minimum suggested time to invest

10 years.

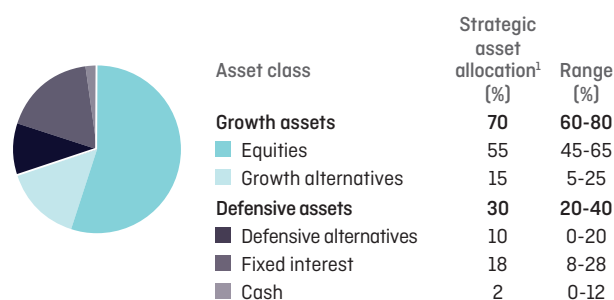
#### Risk level

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

The estimated number of negative annual returns over any 20 year period is 3.9 years.<sup>2</sup>



### Altitude



#### 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 stage aims to:

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

#### Minimum suggested time to invest

7 years.

#### Risk level

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

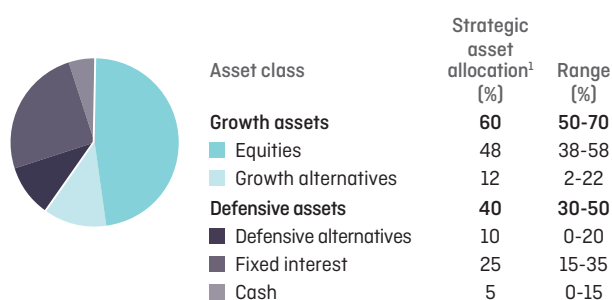
The estimated number of negative annual returns over any 20 year period is 3.3 years.<sup>2</sup>



<sup>1</sup> The strategic asset allocation is an indication of the proportion of the investment stage 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.

<sup>2</sup> The figure shown is the estimated number of negative annual returns over any 20 year period for this investment stage. This is different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section in the Investment Guide, available on our website, for more information on the risk level.

## Cruising



### Overview

Designed for investors with a time horizon of at least six years, who want an investment portfolio with growth opportunities, with a medium to high degree of risk.

### Investment objective

This investment stage aims to:

- achieve a return that exceeds CPI by at least 3.5% p.a. over a six year period, after tax and investment fees
- limit the likelihood of a negative annual return to less than three in 20 years (or 15% likelihood in each year)

### Minimum suggested time to invest

6 years.

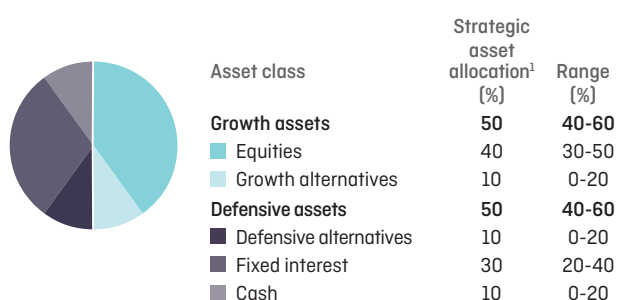
### Risk level

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

The estimated number of negative annual returns over any 20 year period is 3.0 years.<sup>2</sup>



## Destination



### 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 stage aims to:

- achieve a return that exceeds CPI by at least 3% p.a. over a five year period, after tax and investment fees
- limit the likelihood of a negative annual return to less than three in 20 years (or 15% likelihood in each year)

### Minimum suggested time to invest

5 years.

### Risk level

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

The estimated number of negative annual returns over any 20 year period is 2.6 years.<sup>2</sup>



<sup>1</sup> The strategic asset allocation is an indication of the proportion of the investment stage 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.

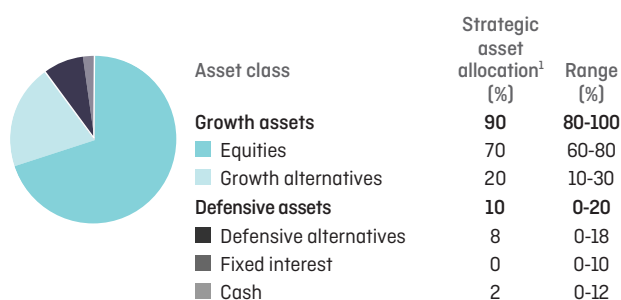
<sup>2</sup> The figure shown is the estimated number of negative annual returns over any 20 year period for this investment stage. This is different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section in the Investment Guide, available on our website, for more information on the risk level.



## Investments (continued)

Other investment options in detail  
as at 30 June 2018

## Aggressive



## 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% p.a. over a 10 year period, after tax and investment fees
- limit the likelihood of a negative annual return to less than five in 20 years (or 25% likelihood in each year)

## Minimum suggested time to invest

10 years.

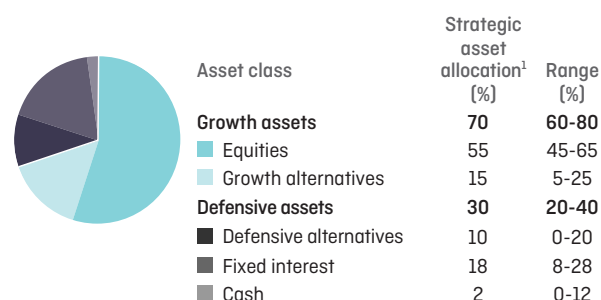
## Risk level

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 3.9 years.<sup>2</sup>



## Growth



## 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% p.a. over a seven year period, after tax and investment fees
- limit the likelihood of a negative annual return to less than 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).

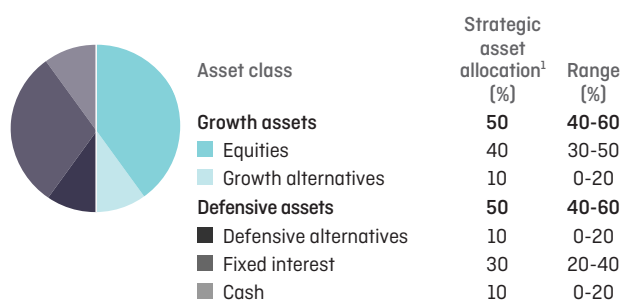
The estimated number of negative annual returns over any 20 year period is 3.3 years.<sup>2</sup>



<sup>1</sup> 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.

<sup>2</sup> The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This is different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section in the Investment Guide, available on our website, for more information on the risk level.

## Balanced



### 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% p.a. over a five year period, after tax and investment fees
- limit the likelihood of a negative annual return to less than three in 20 years (or 15% likelihood in each year)

### Minimum suggested time to invest

5 years.

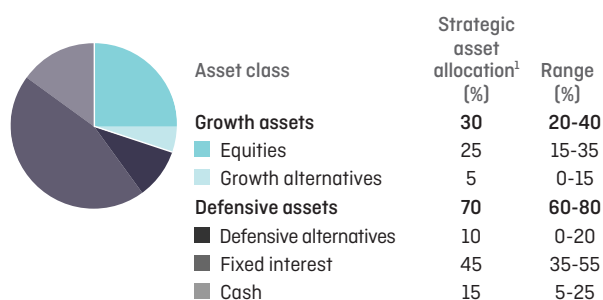
### Risk level

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 2.6 years.<sup>2</sup>



## Conservative



### 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% p.a. over a three year period, after tax and investment fees
- limit the likelihood of a negative annual return to less than 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.<sup>2</sup>

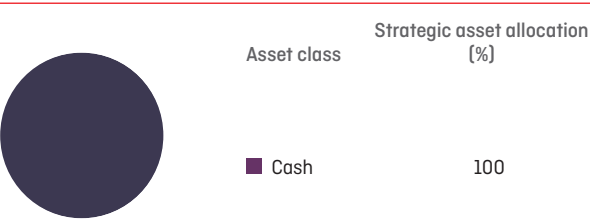


<sup>1</sup> The strategic asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

<sup>2</sup> The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This is different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section in the Investment Guide, available on our website, for more information on the risk level.

Investments (continued)

Cash



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
  - never achieve a negative annual return

Minimum suggested time to invest

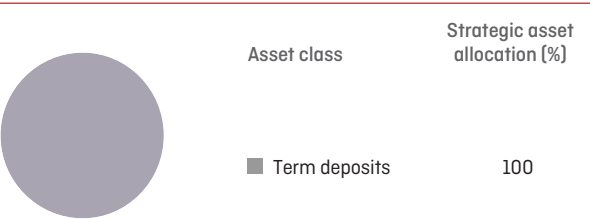
No minimum time applicable.

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.<sup>1</sup>



Term Deposit



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.<sup>1</sup> There are restrictions on early withdrawal from this investment option.



<sup>1</sup> Please see the 'Risks of Super' section in the Investment Guide, available on our website, for more information on the risk level.

## The cost of managing your investment

The investment fees for each of our investment options are set out below.

### Actual fees for 2017/2018

Investment option	Investment fee (% p.a.) <sup>1</sup>	+	Indirect cost ratio (% p.a.) <sup>1</sup>	=	Actual investment fees (% p.a.) <sup>1</sup>
<b>Glidepath</b>					
– Take-Off	0.42%		0.68%		1.10%
– Altitude	0.44%		0.58%		1.02%
– Cruising	0.45%		0.51%		0.96%
– Destination	0.44%		0.44%		0.88%
<b>Aggressive</b>	0.42%		0.68%		1.10%
<b>Growth</b>	0.44%		0.58%		1.02%
<b>Balanced</b>	0.44%		0.44%		0.88%
<b>Conservative</b>	0.46%		0.31%		0.77%
<b>Cash</b>	0.09%		0.00%		0.09%

<sup>1</sup> Includes all investment costs that relate to each investment stage that have been incurred and paid by the Trustee for the 12 months to 30 June 2018 to the extent known (or reasonable estimates if they are not known). Past costs may not always be a reliable indicator of future costs.

### Divisions 1, 2, 3, 4, 12 and 15

If some or all of your super benefit is calculated using a defined benefit formula, the investment fees relating to that defined benefit component are paid out of Qantas Super's general assets and are not deducted from your benefit. If you have accumulation accounts, the investment fees relating to that component of your benefit are based on the relevant option shown in the table above and are a cost to you.

# Financial position

## Financial statements

These tables are a summary of Qantas Super's audited abridged financial statements for the financial year ending 30 June 2018. Our full audited financial statements and the auditor's report for the year ended 30 June 2018 will be available on our website by 31 December 2018. Hard copies of the full audited financial statements and auditor's report will then be available on request.

### Abridged statement of financial position

	As at 30 June 2018 (\$ million)	As at 30 June 2017 (\$ million)
Investments	8,007.8	7,432.1
<b>Plus</b>		
Other assets	13.4	12.7
<b>Less</b>		
Other liabilities	69.6	96.9
<b>Net assets available to pay benefits</b>	<b>7,951.6</b>	<b>7,347.9</b>
<b>Less</b>		
Members' benefits	7,551.8	7,051.6
<b>Net assets</b>	<b>399.8</b>	<b>296.3</b>
<b>Equity</b>		
Reserves	36.0	38.2
Defined benefit surplus	363.8	258.1

### Abridged income statement

	Year ending 30 June 2018 (\$ million)	Year ending 30 June 2017 (\$ million)
<b>Revenue</b>		
Investment income	732.5	627.6
Other revenue	0.7	0.5
<b>Total revenue</b>	<b>733.2</b>	<b>628.1</b>
<b>Less</b>		
<b>Expenses</b>		
Investment expenses	(32.5)	(24.1)
General administration expenses	(15.3)	(13.3)
<b>Total expenses</b>	<b>(47.8)</b>	<b>(37.4)</b>
<b>Net income superannuation activities</b>	<b>685.4</b>	<b>590.7</b>
<b>Less</b>		
Net insurance activities	(9.4)	(9.4)
<b>Less</b>		
Net benefits allocated to members	(553.0)	(546.6)
<b>Operating result before income tax</b>	<b>123.0</b>	<b>34.7</b>
Income tax expense/(benefit)	15.9	52.6
<b>Operating result after income tax</b>	<b>107.1</b>	<b>(17.9)</b>

## Financial position (continued)

## Abridged statement of changes in member benefits

	Year ending 30 June 2018 (\$ million)	Year ending 30 June 2017 (\$ million)
Opening balance of member benefits	7,051.6	6,607.8
Contributions received	306.2	331.3
Transfers from other superannuation plans	53.5	52.3
Income tax on contributions	(39.7)	(40.3)
<b>Net after tax contributions</b>	<b>320.0</b>	<b>343.3</b>
Net benefits paid	(374.1)	(449.9)
Net insurance (cost)/benefit	(2.1)	(0.6)
Death and disability benefits credited to members	3.5	4.5
Net benefits allocated to member accounts	552.9	546.5
<b>Closing balance of member benefits</b>	<b>7,551.8</b>	<b>7,051.6</b>

## Statement of changes in reserves

	Disability Reserve (\$'000) <sup>1</sup>	Other Insurance Reserves (\$'000) <sup>1</sup>	Foregone Benefits Reserve (\$'000) <sup>2</sup>	Operational Risk Reserve (\$'000) <sup>3</sup>
Reserve 30 June 2015	12,750	8,235	–	11,516
Amounts allocated during year	(3,098)	(461)	(30)	–
Transfers during year	3,691	(2,027)	44	6,526
<b>Reserve 30 June 2016</b>	<b>13,343</b>	<b>5,747</b>	<b>14</b>	<b>18,042</b>
<b>Reserve 30 June 2016</b>	<b>13,343</b>	<b>5,747</b>	<b>14</b>	<b>18,042</b>
Amounts allocated during year	(4,329)	(170)	–	–
Transfers during year	3,311	1,092	(14)	1,163
<b>Reserve 30 June 2017</b>	<b>12,325</b>	<b>6,669</b>	<b>–</b>	<b>19,205</b>
<b>Reserve 30 June 2017</b>	<b>12,325</b>	<b>6,669</b>	<b>–</b>	<b>19,205</b>
Amounts allocated during year	(3,437)	(73)	–	–
Transfers during year	2,926	(1,853)	–	245
<b>Reserve 30 June 2018</b>	<b>11,814</b>	<b>4,743</b>	<b>–</b>	<b>19,450</b>

In line with sound administrative and financial practice and actuarial advice, reserves are maintained to safeguard Qantas Super against events such as major catastrophes or abnormal mortality experience and to address operational risk losses incurred by Qantas Super.

The reserves are invested in line with the investment strategy for the assets supporting the defined benefit liabilities of Qantas Super, and the adequacy of the reserves is monitored and regularly reviewed by the Qantas Super actuary.

<sup>1</sup> The Disability Reserve represents reserves to cover the expected self-insured benefits payable in respect of members in Divisions 1 and 2 who have been assessed as permanent and initial incapacitated. The Other Insurance Reserves have been established to provide for self-insured incurred but not reported risks under Qantas Super, and for new self-insured risks arising after 1 July 2013.

<sup>2</sup> Benefits foregone by Division 1 members on resignation and certain employer contributions in respect of Division 1 members not required to meet the disability benefits of Division 1 members are credited to the Foregone Benefits Reserve. The balance of the reserve as at 30 June each year net of applicable costs is allocated to all members of Division 1 as at that date.

<sup>3</sup> The Operational Risk Reserve is designed to maintain adequate financial resources to address losses arising from operational risks that may affect Qantas Super within its business operations.



### Contributions for defined benefits

Some of our members are entitled to defined benefits (members of Divisions 1, 2, 3, 4, 12 and 15). These benefits are generally calculated by reference to salary and length of service. Accordingly, these benefits are not directly impacted by investment returns, and do not move up or down as investment returns vary, except for accounts with a defined benefit underpin that has not been triggered.

Over time, Qantas Airways Limited makes the contributions which are recommended by the Qantas Super actuary as being necessary to meet the cost of providing the defined benefits.

The funding of those benefits has been designed to take account of the structure of defined benefits, and recognises that as well as the typical times when the value of the underlying assets is higher than the total of the defined benefit liabilities, there will be times when the reverse is true.

This relationship is monitored by Qantas Super as the trustee and by the Qantas Super actuary, and changes are made to contribution rates when required.

In 2009, following the downturn in the investment markets, an Additional Funding Plan (AFP) for our defined benefit divisions was implemented.

The AFP established a framework for monitoring our financial position and a process for us to request additional contributions from Qantas Airways Limited if certain trigger events occurred.

On 3 March 2017 Qantas Super refreshed the AFP with Qantas Airways Limited which is subject to renewal every three years as part of the triennial actuarial review of the Plan.

# Other important information

## Changes to the Trust Deed

There were **no changes** to the Trust Deed and Rules in 2017/18.

## Our approach to risk management

At Qantas Super, we have implemented a comprehensive risk management program, which focuses on the identification, analysis, evaluation, treatment, monitoring and communication of risks. The risk management program is maintained and monitored by a dedicated and experienced Legal, Risk & Compliance team. It's subject to regular review and enhancements, and is also subject to an annual independent audit by Qantas Super's external auditor.

In 2017/2018 the Board of Directors approved the annual Risk Management Declaration to confirm that, in all material respects, the Trustee has risk management and compliance systems, controls and resources in place (including in relation to any outsourcing of business activities) that:

- Enable the Trustee to monitor and manage risks, and produce and report accurate financial and statistical information
- Are appropriate having regard to the size, business mix and complexity of the Trustee's business operations and the Trustee's operational capabilities
- Are adequate, and operating effectively

## Contributions

You can vary your voluntary concessional and non-concessional contributions at any time. The Government has set caps or limits on the amount of contributions you can make to super without having to pay extra tax. There is a cap for concessional and non-concessional contributions. The caps and information about the penalty tax applied to contributions that exceed these caps can be found on [www.qantassuper.com.au](http://www.qantassuper.com.au).

## Superannuation surcharge tax

Surcharge was a tax on contributions that applied between 20 August 1996 and 30 June 2005. The surcharge is only applied to surchargeable superannuation contributions and certain eligible termination payments rolled into superannuation funds by higher income individuals.

Surcharge payments were assessed each year by the Australian Taxation Office (ATO) for each member.

When a surcharge assessment was received by Qantas Super:

- The assessed amount was paid to the ATO
- The assessment amount was applied to the member's Surcharge Account

The Surcharge Account therefore comprises any surcharge payments made to the ATO for a member, plus earnings at the applicable Credited Interest Rate/s. If you are entitled to receive a benefit, the balance of your Surcharge Account is deducted from your benefit entitlements.

## Eligible Rollover Fund

An Eligible Rollover Fund (ERF) is a super fund specifically designed to hold unpaid superannuation benefits.

Upon ceasing employment with the Qantas Group, Qantas Super members will automatically become retained members within our Gateway division. There is a minimum balance requirement of \$5,000 for retained members. This requirement will generally be tested no sooner than 45 days after you become a retained member in Gateway. If your account balance is below \$5,000 at that time:

- We will automatically transfer your benefit out of Gateway and into Qantas Super's nominated ERF; or
- If you hold another account in Qantas Super that is not an Income Account, your benefit may be automatically transferred to that other account. Depending on your circumstances, this may have implications on your benefits in Qantas Super (including insurance) and the fees that you pay

We may also automatically transfer your benefit as outlined above if your account balance falls below \$5,000 at any subsequent time.

Qantas Super's nominated ERF is AUSfund and we can transfer benefits in Qantas Super to AUSfund without consent. The Product Disclosure Statement for AUSfund is available at [www.ausfund.com.au](http://www.ausfund.com.au).

If your benefit is transferred to the ERF, you will no longer be a member of Qantas Super and you will need to contact the ERF about your benefit. Please note that the terms and product features, including fees and investment strategy of the ERF will be different from those of Qantas Super.

Here are the contact details for Qantas Super's nominated ERF:

The AUSfund Administrator  
Locked Bag 5132  
Parramatta NSW 2124  
Phone: 1300 361 798  
Email: [admin@ausfund.com.au](mailto:admin@ausfund.com.au)  
[www.ausfund.com.au](http://www.ausfund.com.au)

### Temporary residents

A temporary resident is a holder of a temporary visa under the Migration Act 1958 (Cth). The Australian Government requires Qantas Super to pay certain temporary residents' unclaimed super to the Australian Taxation Office (ATO) after at least six months have passed since the later of:

- The date a temporary resident's visa ceased to be in effect; or
- The date a temporary resident permanently left Australia

The ATO identifies and informs Qantas Super of the impacted members on a twice yearly basis. Once your benefit has been transferred to the ATO, you will need

to claim it directly from the ATO. As the Trustee relies on the Australian Securities and Investment Commission for relief, you may not be issued a notice about the transfer or an exit statement in this circumstance.

If your account has not yet been transferred to the ATO, you may be eligible to claim it from Qantas Super under the Departing Australia Superannuation Payment regime.

For more information regarding these procedures and current tax rates please visit [www.ato.gov.au](http://www.ato.gov.au).

### Trustee liability insurance

We maintain trustee liability insurance to indemnify the Trustee Directors, the Trustee, Qantas Super and, in some circumstances, Qantas Airways Ltd, against insurable losses that may be incurred.

### Member dissatisfaction policy (complaints)

The Trustee of the Qantas Superannuation Plan has established a Member Dissatisfaction Policy to ensure member inquiries and complaints are resolved promptly and regulatory obligations are met.

In addition, the Trustee is obliged to provide you with any information you reasonably require to understand your benefits.

#### How do I lodge a complaint?

1. Call us on 1300 362 967, 8am to 7pm AEST / AEDT weekdays, to discuss your complaint.
2. Write to us at: Superannuation Inquiries Officer, Qantas Superannuation Plan, GPO Box 4303, Melbourne VIC 3001

The Superannuation Inquiries Officer will ensure that your complaint is investigated appropriately and will provide you with a response.

If you do not receive a response to your complaint within 90 days or are not satisfied with the response Qantas Super has provided, you can lodge a complaint with the **Australian Financial Complaints Authority (AFCA)**. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: <http://www.afca.org.au>

Email: [info@afca.org.au](mailto:info@afca.org.au)

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

## Other important information (continued)

### Privacy

Qantas Super respects the privacy of your personal information and is committed to complying with the Australian Privacy Principles in the Privacy Act 1988 (Cth).

#### Our Privacy Policy

Our Privacy Policy sets out our approach to the management of personal information. Subject to the Privacy Act 1998 (Cth), you can have access to and seek correction of your personal information. Our Privacy Policy contains information about how you can do this. Our Privacy Policy also contains information about how you can make a complaint about a breach of privacy. The Privacy Policy is available by visiting [www.qantassuper.com.au](http://www.qantassuper.com.au).

#### Collection of personal information

We collect personal information about you so that we can admit you as a member of Qantas Super and provide you with services and benefits in connection with your membership of Qantas Super. If you are an employer-sponsored member, we also collect personal information about you from your employer.

#### Consequences if the information is not collected

If we do not collect your personal information, or if that information is incomplete or inaccurate, we may be unable to admit you as a member of Qantas Super or provide you with these services and benefits. It may also prevent us from being able to contact you.

If you do not provide your tax file number, additional tax will be payable on employer or salary sacrifice contributions, you will be unable to make personal after-tax contributions and you will not qualify for the government co-contributions scheme (if eligible).

#### Disclosure of your personal information

We may disclose your personal information to third parties, such as your employer, Qantas Super's administrator, insurer, professional advisers, and organisations who provide services to us in relation to your membership of Qantas Super. The administrator of Qantas Super may disclose personal information to service providers in India and other countries outside of Australia. Any such disclosure will only be made for the purposes of the management and administration of Qantas Super, and the use of personal information is strictly controlled. We may also disclose your personal information to regulatory bodies such as the Australian Taxation Office, where this is required by law.

#### Marketing

We may use your personal information to send or notify you of marketing information about other products and services that

are available to you because of your membership of Qantas Super (eg travel offers) and invitations to participate in member surveys and research about Qantas Super. You may opt out of receiving marketing information and survey/research invitations at any time by logging into your account and updating your communication preferences, or by calling or writing to us using the contact details of the Trustee or Qantas Super's administrator provided below.

#### Trustee contact details

The Privacy Officer  
Qantas Superannuation Limited  
GPO Box 4303  
MELBOURNE VIC 3001  
Phone: 1300 362 967

#### Administrator contact details

The Privacy Officer  
Mercer Outsourcing (Australia) Limited  
GPO Box 4303  
MELBOURNE VIC 3001  
Phone: 1300 362 967

For the Administrator's Privacy Policy, please go to [www.mercer.com.au/content/mercer/asia-pacific/au/en/privacy.html](http://www.mercer.com.au/content/mercer/asia-pacific/au/en/privacy.html)



## Our service providers

The Trustee appoints a number of service providers to assist in the management of Qantas Super. In 2017/2018 our key service providers were:

### Actuary

Nick Callil, BSc (Hons), FIAA

### Administrator

Mercer Outsourcing (Australia) Pty Ltd  
ABN 83 068 908 912  
AFSL 411980

### External auditor

PricewaterhouseCoopers  
ABN 52 780 433 757

### Insurance provider

MLC Limited  
ABN 90 000 000 402  
AFSL 230694

### Internal auditor

KPMG  
ABN 51 194 660 183

### Investment managers

See page 28

### Master custodian

JPMorgan Chase Bank, N.A.  
(Sydney Branch)  
ABN 43 074 112 011

## Qantas Super's licences

Qantas Superannuation Limited (ABN 47 003 806 960) as Trustee holds the following licences:

- Registrable Superannuation Entity (RSE L0002257) licence which allows the Trustee to be the trustee of the Qantas Superannuation Plan (ABN 41 272 198 829)
- Australian Financial Services Licence (AFSL 288330), which allows the Trustee to provide general financial product advice

The Trustee administers the Qantas Super Plan and provides a variety of information to members through publications like the annual report, annual benefit statement, newsletters and the website. The Trustee also responds to queries from individuals relating to the superannuation products provided by the Trustee.

## Other information

The content of this annual report is of a general nature, is not intended to constitute financial product advice and has not been prepared taking account of your objectives, financial situation or needs. This annual report is not intended to take the place of a licensed financial adviser who understands your objectives, financial situation and needs. The Trustee recommends that before acting on any information contained in this document, you seek financial advice or other disclosure documents from a licensed independent financial adviser and read the Plan's Product Disclosure Statement or other disclosure for the particular division of which you are a member before making an investment decision.

The Trustee makes every attempt to ensure that the information in this document is accurate. Legislative and other changes after the time of publication may affect the accuracy of some of the information contained in this document.

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