



# Annual Report Financial Year 2019/20

# Contents

---

Message from the Chair	3
Message from the CEO	4
Key achievements	5
Your Board of Directors	13
Corporate governance	18
Qantas Super management team	22
Investments	24
Financial position	38
Other important information	41

# Message from the Chair

---

Welcome to our Annual Report, where we share the work we have done to support our members through 2019/20.

When General the Honourable Sir Peter Cosgrove, a former director of Qantas Super's Trustee Board, addressed a gathering of key service providers, directors, and staff last December to mark Qantas Super's 80th birthday, he noted the proud history of the fund. Established on the eve of the Second World War in 1939, Sir Peter paid tribute to the work of Qantas Super over the decades as it helped members look forward to and prepare for their retirement with confidence.

At that time in late 2019, our Plan Sponsor, the Qantas Group, had just commenced a program of events to mark its 100th year. Little did we know then the challenges that lay ahead both for the Qantas Group and Qantas Super in 2020.

As a corporate superannuation fund serving members who work in the industry that has been at the epicentre of the COVID-19 crisis, Qantas Super has done everything within its means to step up and help members by promoting your best financial interests.

During the year, Qantas Super paid over \$500 million of benefits to members, maintained defined benefit funding in excess of the value of the vested benefits for our defined benefit members, delivered investment returns in excess of our published return objectives for all investment options, and received terrific member feedback. All of this was achieved at a time when the majority of our members were stood down, many of our members sought the early release of part of their superannuation benefit, and investment markets went through a period of high volatility.

Core to being able to provide members with this support and achieve these outcomes is Qantas Super's focus on strong corporate governance, strategic planning, risk management, and oversight. The importance of each of these has been evident through 2019/20. The fund also seeks to build a professional and independent relationship with our Plan Sponsor. We benefit considerably by leveraging off the resources and capabilities of the Qantas Group; this was no more evident in 2020 than in relation to the information systems that made it possible for Qantas Super to adapt and continue to operate during the COVID-19 crisis.

Several changes were made to the Trustee Board's composition over 2019/20. John Sipek stepped down in August 2019 after 15 years as a Group C Member-elected Director, while Hendrik van Calcar stepped down in December 2019 after a year as Group E Member-elected Director. I would like to thank both John and Hendrik for their service and contribution to Qantas Super. John's long tenure on the Trustee Board and the way he brought members' perspective into deliberations is worthy of special note.

Ryan Greaves, an aircraft maintenance engineer based in Brisbane, was elected to replace John as the Group C Member-elected Director in November 2019, and Maria Cheung, now the Head of Wine and Retail Operations for Qantas Loyalty, was elected to replace Hendrik by Group E members in March 2020.

The Board also resolved in May 2020 to extend the final term and tenure of Mark Thorpe, the Group A Member-elected Director, for an additional 12 months.



**John Atkin**  
Chair

While Mark's term would ordinarily have expired in June 2020, it was unanimously agreed by Directors that retaining Mark's deep knowledge and extensive experience would be of tremendous value as the Trustee Board worked through the COVID-19 crisis.

I would like to thank each of our Directors, whose dedication to our members was only magnified in the wake of the COVID-19 crisis. Each member of the Trustee Board responded admirably to the additional intensity of the role and the time asked of them. In particular, I would like to give a special thanks to the Directors who, like many of our members, were stood down from their roles with the Qantas Group, but nonetheless continued to be fully committed to serving our members.

I would also like to thank the management team and staff at Qantas Super, led by CEO Michael Clancy, for the work they have done to support our members through this challenging period.

As we look forward, Qantas Super is committed to equipping you – our members – with the information, advice, and tools you need to feel confident in your financial future, so you can look forward to retirement.

A handwritten signature in black ink, appearing to read 'John Atkin'. The signature is stylized and fluid.

**John Atkin**  
Chair

# Message from the CEO



**Michael Clancy**  
Chief Executive Officer

2019/20 has pulled into sharp focus our purpose to help you be confident in your financial future so you can enjoy retirement.

While Qantas Super has supported members through a number of challenging periods over its 81 year history, the impact of the COVID-19 pandemic on the global aviation and travel industries through the second half of 2019/20 has highlighted the importance of Qantas Super's unique role as the super fund for the Qantas family.

In 2020 many of our members would have been looking forward to celebrating their contributions to Qantas in its 100th year, however as a result of circumstances outside their control, many were instead stood down from the jobs they love. With livelihoods dramatically affected, it was more important than ever for Qantas Super to be by our members' sides, providing increased support and access to resources, to ensure members had as much information as possible during this unprecedented period.

A key factor in instilling confidence is solid investment performance. Despite the volatility experienced in financial markets after the onset of COVID-19, I am pleased to report that all of Qantas Super's investment options outperformed their Consumer Price Index (which

measures inflation) related performance objectives over relevant timeframes. We aim to achieve these objectives so your super account delivers a return higher than the rate of inflation over the long term, as this nest egg will support your income in retirement.

These performance objectives are core to Qantas Super's long-term approach to investing your super. Though it's natural to feel unsettled when there's significant volatility in financial markets, it's important to remember that volatility is a normal part of investing for the long-term, and financial markets have historically recovered from downturns as economies grow.

To assist our in-house team of investment experts in managing your super, we expanded our asset allocation ranges for each of the Plan's investment options (excluding the Cash option) this year. This gives our team greater flexibility to maintain and, if appropriate, invest further in various asset classes, and in turn improve our ability to achieve investment performance objectives for our members.

Another important role for Qantas Super is the ongoing management of the portfolio of assets that supports defined benefit accounts. The steps that have been taken to manage the risk of the defined benefit investment strategy over the past decade since the Global Financial Crisis have resulted in the defined benefit financial position remaining fully funded throughout 2019/20.

In addition to ensuring your super is well invested, our frontline Super Advice and helpline teams adapted how they delivered support for members, and the feedback from members has been outstanding. The team quickly switched from providing face-to-

face appointments and seminars in workplaces around Australia to phone based appointments and online webinars. In the six months to June 2020, the Super Advice team spoke with over 1,400 members across Australia.

And while we would never have imagined it at the start of 2019/20, we were pleased to be able to support over 6,500 members who were facing financial hardship as a result of COVID-19 via the Federal Government's early release of superannuation scheme.

While we are focused on meeting member needs now, we also have an eye on the future. For example, we are continuing to invest in member service and process improvements, we've implemented a Super to Pension bonus for members who are retiring, and we negotiated the best deal possible with MetLife as our new insurer partner.

We believe MetLife's global strength and stability, and experience in insuring aviation employer groups, means it is well positioned to be our insurance partner going forward. MetLife is taking over from MLC Life Insurance, who I'd like to thank for its service to Qantas Super members over the past nine years.

Finally, I would also like to thank my colleagues in the Qantas Super team, who have worked tirelessly to support members while themselves adapting to uncertain times. Each of us is committed to ensuring we continue to deliver the support our members need, so you can grow in confidence about your financial future.

A handwritten signature in black ink that reads "Michael Clancy". The signature is written in a cursive, flowing style.

**Michael Clancy**  
Chief Executive Officer

# Key achievements in 2019/20

## Protecting your super through market uncertainty

From the summer bushfires to a global pandemic, the 2019/20 financial year presented us with a once-in-a-lifetime series of events that up-ended not only investment markets, but many of the world's norms, in just a matter of months.

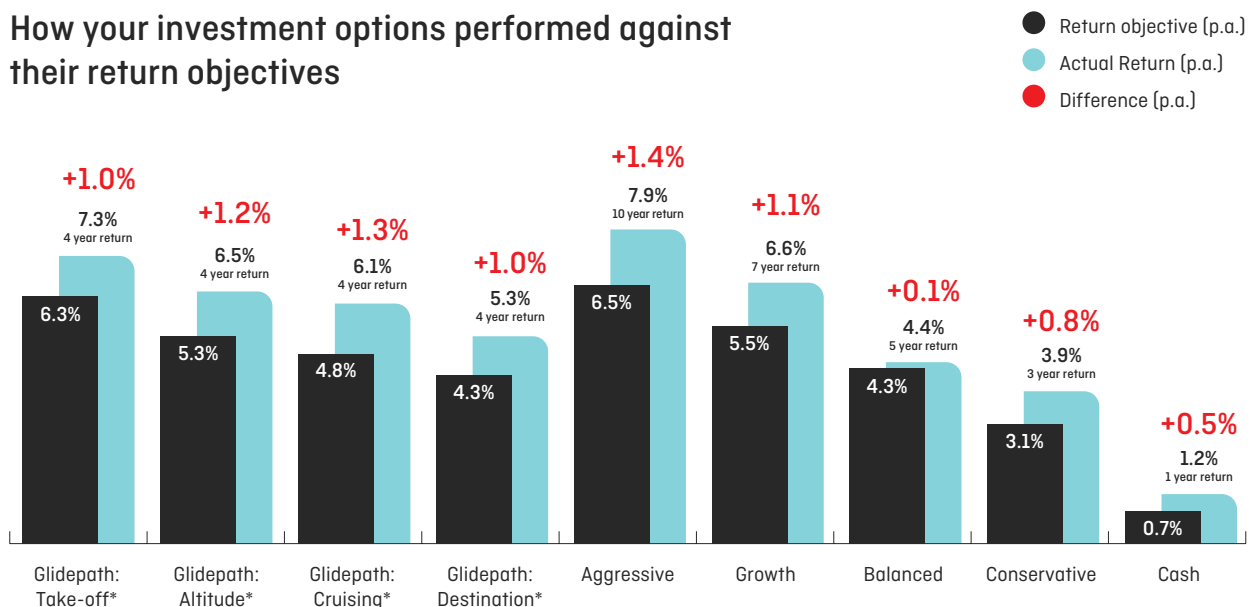
Despite the periods of uncertainty caused by these events, each of Qantas Super's investment options achieved their long term objectives.

These objectives are linked to the Consumer Price Index (CPI), which measures the cost of living, or inflation. They are designed to ensure that your super investment delivers a return higher than the rate of inflation over the long term, as this nest egg will support your income in retirement.

Achieving these objectives for all of our investment options highlights the importance of Qantas Super's safety-first approach to investing. This approach, which focuses on investing your super for the long term, helps to capitalise on periods of growth, and protects your super through periods of market uncertainty.

Past performance is not a reliable indicator of future performance.

## How your investment options performed against their return objectives



Returns shown are for super and transition to retirement accounts.

\*As Glidepath commenced on 1 October 2015, returns shown are for the four years to 30 June 2020.

## Helping members through COVID-19

### Keeping members informed

With the COVID-19 pandemic affecting our members' super and insurance arrangements in different ways, we saw a significant increase in demand for information through 2019/20.

To keep our members up to date, we created a central information hub on our website. This hub was updated with new resources and information as the situation developed.

We saw a 57% increase in the number of members visiting the website from March to June 2020, compared to the same period in 2019.

Our helpline was also crucial in helping to keep members informed. Over 17,500 calls were made to the helpline between March and June 2020, up from just over 14,000 calls over the same period in 2019. This was an increase of 24% compared to the same period in 2019.

### Providing financial relief

While super's primary purpose is to help you save for retirement, the Federal Government recognised that, for some Australians significantly financially affected by the COVID-19 pandemic, accessing some of their super today may outweigh the benefits of maintaining those savings until retirement.

The early access to superannuation scheme allowed eligible Australians to access up to \$10,000 from their super account in 2019/20, and is allowing applications for another \$10,000 in the 2020/21 financial year.

Over 6,600 Qantas Super members applied for early access to their super in the period to 30 June 2020, withdrawing more than \$62 million. We are pleased to have been here to help members during a period of financial strain.



The Federal Government recognised that, for some Australians significantly financially affected by the COVID-19 pandemic, accessing some of their super today may outweigh the benefits of maintaining those savings until retirement.



From March to June 2020



**17,500**

calls made to the helpline

**24% increase**  
year-on-year



**96,167**

member visits to website

**57% increase**  
year-on-year



**Over 6,600**  
**members**

applied for early  
access to their super

## Helping members feel confident in their financial future

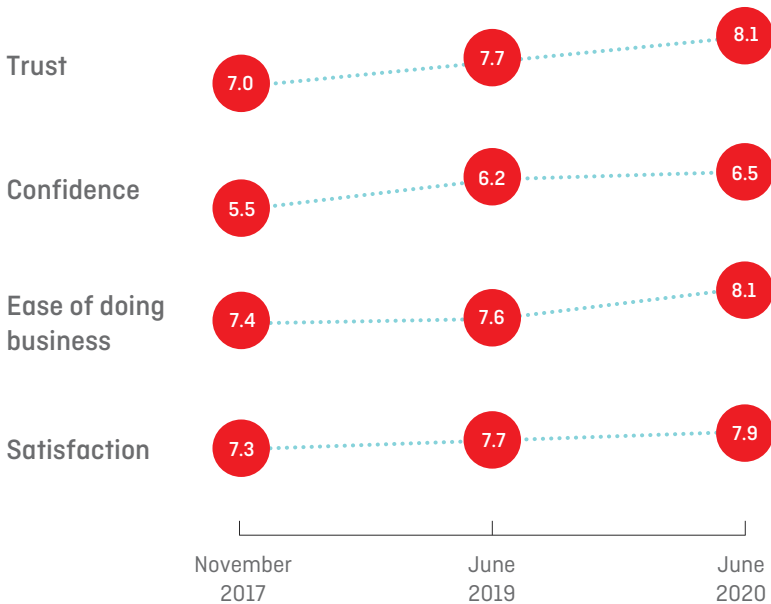
Our purpose is to help members feel confident in their financial future, so they can enjoy retirement. With 2019/20 presenting many challenges for members, this goal was more important than ever.

### 'Voice of the Member' survey shows members remain confident

Despite the ups and downs of the year, our annual 'Voice of the Member' survey showed many members remain confident that they will be able to enjoy a comfortable retirement. Over 1,800 members took part in the June 2020 survey, which saw confidence increase to a score of 6.5 out of 10. This was up from 6.2 in June 2019.

### Members trust Qantas Super to help them achieve their retirement goals

Along with confidence, the 'Voice of the Member' survey also tracks a number of other metrics that tell us how members feel about Qantas Super: trust, satisfaction, and ease of doing business. Pleasingly, each metric has steadily improved over the last three years. As we look forward to the next three years and beyond, we will continue to work hard to improve and deliver for members.



## Easy access to expert advice

Following its launch in April 2019, the Qantas Super Advice team went from strength to strength in 2019/20, providing information and advice to over 3,100 members across Australia.

The team visited bases around the country to meet with members one-on-one, run information booths, and present seminars on a range of super topics, before switching to phone-based appointments and webinars in March 2020 as social distancing measures and travel restrictions were put in place.

During this period of heightened uncertainty, providing expert help from a trusted adviser has been key to ensuring members have the information they need to manage their super with confidence.

You can book a 30 minute meeting with a Super Adviser on our website.



Super Associate **Simone D'Souza**, Super Adviser **Josephine Tannous**, and Senior Manager Member Engagement, **Huseyin Boztepe** running an information booth on The Street at Mascot Campus

## Preparing members for their next steps

The team has launched a new webinar, 'Important decisions when leaving Qantas', to support members as the Qantas Group embarks on its Next 100 Recovery Plan. This webinar takes members through the changes to their super arrangements when they leave employment at the Qantas Group, and how they can make the most of their Qantas Super account moving forward.

## Comprehensive advice

Members who require advice on their financial arrangements both inside and outside super can book a strategic advice appointment with our independent advice partner, Guideway Financial Services\*.

Guideway advisers can help members with a variety of topics, from wealth building strategies to effectively transitioning to retirement, how to manage a redundancy payment, and more.

Almost 150 members were referred to the strategic advice service during 2019/20.

\*ABN 46 156 498 538, Australian Financial Services Licence 420367



## Giving your retirement a boost

Qantas Super is designed to be by a member's side through their super journey, from their first day on the job to the day they hang up their ASIC card, and beyond.

After working hard to grow their super, our income account can help members enjoy the rewards that come from a lifetime of hard work.

Thanks to a tax benefit Qantas Super receives when a member moves to a new income account as a retirement member for the first time, we were able to offer a bonus to members who opened this type of account in 2019/20.

We set money aside to pay for future capital gains tax (CGT) on investment earnings in super accounts. However, because investment earnings are tax-free in an income account for retirement members, this tax is no longer payable when members transfer their super to an income account. We're then able to pass this saving on as a bonus to new retirement members.

We've had great feedback from members on the bonus and are pleased to be continuing this offer to eligible members in the 2020/21 financial year. Visit our website for more information.

## Selecting a new insurance partner

This year, we selected leading global insurance provider MetLife to take on the role of our insurer from 1 July 2020. We believe MetLife's global strength and stability, and experience in insuring aviation employer groups makes them well positioned to be our insurance partner.

MetLife is taking over from Qantas Super's current insurance partner, MLC Life Insurance. We thank MLC for its service to Qantas Super members over the past 9 years.



## Celebrating 80 years of supporting members

On 4 December 2019, Qantas Super celebrated its 80th birthday with an event on The Street at Mascot Campus.

The event was a chance to acknowledge the contributions of Qantas Super teams past and present, with former staff and Board Directors in attendance to celebrate.

Qantas Super was established in 1939 to look after staff and their families through their time at Qantas Super, the Qantas Group and beyond. We have now been delivering on this commitment for over 80 years, supporting members through the turmoil of World War II to the COVID-19 pandemic and everything in between.



**Michael Clancy**, CEO Qantas Super; **Steve Heesh**, former Company Secretary Qantas Super; **Sir Peter Cosgrove**, former Governor General of Australia and Director of Qantas Super



**Luke Murray**, Director Qantas Super; **Zac Roberts**, SouthPeak; **Lorraine Berends**, Director Qantas Super; **Stuart Langeveldt**, CXO Qantas Super; **Bruce Roberts**, Director Qantas Super



**John Atkin**, Chair Qantas Super



As a company fund, Qantas Super retains what to me became a keynote of enjoyment – the diverse nature of the board representing many of the industry groups within the main company... I know from colleagues that the scheme is in great shape, that it continues to grow and modernise and thus underscore its centrality to the Qantas workforce and the retired Qantas family.

Sir Peter Cosgrove, former Governor General of Australia and Qantas Super Director, 2005 – 2014



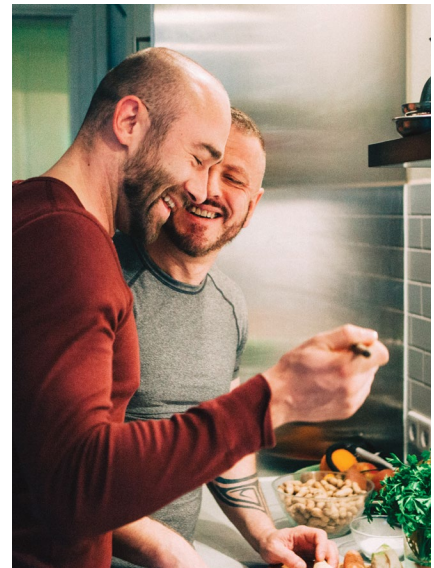
## What our members have to say

Qantas Super is built for members, by members – which means your feedback means a great deal to us. In what has been a difficult year for so many of our members, we are proud to have received positive feedback:



Thanks for doing an amazing job at supporting Qantas Super members through such a difficult time during stand down and the uncertainty of COVID-19. There has been a lot of positive discussion amongst the Cabin Crew in regard to how Qantas Super has been providing information and help to the members in such a difficult time. Well done Qantas Super!

Today was the second time in 24 years that I had made phone contact with Qantas Super, and I had the pleasure of being attended to on my telephone inquiry this afternoon by a lady named Gen...I can't express how much I appreciated her kindness and ability to help me embark on this new precarious journey to get back on track with my superannuation.



## Welcoming seconded staff to the team

We had the opportunity to welcome a number of new faces to the Qantas Super team on secondment this year from the broader Qantas Group. Geoffrey Tanner has been working with our team since early 2020, while Cveta Siljanovska, Larissa Deylen, and Jack Penton joined us following the stand down of staff across the Qantas Group in March 2020.

Cveta joined our Risk and Compliance team from the Qantas Group Treasury team, while Jack joined our Investment Operations team from the Qantas Group Finance team. Larissa, who has come to us from the Qantas Group Cyber team, and Geoff, who also works with Qantas Loyalty, are lending their expertise to Qantas Super as we implement an information security project.

It has been wonderful to be able to leverage the skills and capabilities of the wider Qantas Group.



It's a very friendly, welcoming team and everyone is really positive and upbeat. Even in these challenging times, when we've been dealing with a higher volume of complex member inquiries, everyone has maintained a really positive attitude.

Cveta



# Summary of changes during the year

TOPIC	Applicable Divisions / Members		
	Gateway	6, 7, 10	All members
<b>JULY 2019</b>			
<ul style="list-style-type: none"> <li>– Protecting Your Super legislation came into effect</li> <li>– Removal of exit fees</li> <li>– Cancellation of insurance cover for inactive, low balance accounts</li> </ul>			<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> </ul> <p>Where member pays for insurance</p>
– Various investment changes to risk levels etc disclosed in PDS			✓
– Update to ongoing investment fee disclosure as part of RG 97			✓
– Insurance premium reduction for Income Protection	✓	✓	
<b>APRIL 2020</b>			
<ul style="list-style-type: none"> <li>– Putting Members' Interests First legislation came into effect:</li> <li>– Cancellation of insurance cover for low balance accounts on 1 April</li> <li>– New members under 25 and with a low balance must now opt in to receive insurance cover</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> </ul> <p>For new members</p>		<ul style="list-style-type: none"> <li>✓</li> </ul> <p>Where member pays for insurance in the 1 April cancellations</p>
<b>MAY 2020</b>			
– Significant Event Notice: Changes to asset allocation ranges			✓

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 2020

---

## Company-appointed Directors



**John Atkin**

- Chair of Qantas Super Board
- Chair of Nominations Committee
- Member of Investment Committee
- Member of Remuneration Committee
- Member of Audit & Risk Committee

John was appointed to the Qantas Super Board on 7 March 2019. John is currently a non-executive director of IPH Ltd, Integral Diagnostics Ltd (both ASX listed) and of the Commonwealth Bank Officers Superannuation Corporation. He is also the Chair of the Australian Institute of Company Directors (AICD), and Vice Chair of Outward Bound International, Inc.

Before his non-executive director career, John was most recently the CEO of The Trust Company, where he successfully steered the organisation through the GFC. Prior to this he spent six years as the National Managing Partner of Blake Dawson (now Ashurst) and 15 years as a Partner at Mallesons Stephen Jaques (now King & Wood Mallesons).

John holds a Bachelor of Laws with 1st Class Honours from the University of Sydney and a Bachelor of Arts with 1st Class Honours in Pure Mathematics from the Australian National University.



**Lorraine Berends**

- Chair of Investment Committee
- Member of Insurance Committee
- Member of Member Experience Committee

Lorraine was appointed to the Board on 31 May 2019.

Lorraine is an actuary and investment specialist with 40 years of experience. During her executive career, primarily at National Mutual and Marvin & Palmer Associates, Lorraine served on the boards of industry associations the Association of Superannuation Funds of Australia and the Investment Management Consultants Association (now the CIMA Society of Australia) and was awarded Life Membership of both associations.

She is currently a non-executive director on a range of listed boards including Pinnacle Investment Management Group Limited and was previously a member of BT's Superannuation Board and QSuper's Investment Committee.



**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 jet fuel price risk, foreign currency risk including Qantas Airways' committed capital expenditure program and its operating revenues earned in more than 80 countries, interest rate risk on Qantas' debt and cash balance.

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**

Chief Operating Officer, QantasLink and  
Executive Manager Aviation Services,  
Qantas Airways Ltd

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

Andrew Monaghan joined Qantas in 2005 and was appointed to the Qantas Super Board on 26 November 2014. He is the Chief Operating Officer, QantasLink, and Executive Manager Aviation Services.

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, finance, audit, risk, and safety.

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 Customer Experience  
& Operations, Qantas Airways

- 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 currently the Executive Manager Customer Experience & Operations. She was previously Chief Operating Officer, Qantas Australian Airports, and Executive Manager Loyalty Services.

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 general management.

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

## Member-elected Directors



**Mark Thorpe**

First Officer (Group A)

- Chair of Insurance Committee
- Member of Investment Committee

Mark was appointed to the 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 25 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.

Mark's final term and total tenure was extended for an additional 12 months by the Board on 28 May 2020, and his term is now set to expire on 12 June 2021.



**Bruce Roberts**

Customer Service Manager (Group B)

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

Bruce was appointed 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 a human services worker for Uniting's Child and Youth services, providing support for young people and their carers in out of home care. 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.



**Ryan Greaves**

Aircraft Maintenance Engineer (Group C)

- Member of Investment Committee
- Member of Member Experience Committee

Ryan was appointed to the Board on 19 September 2019. He is an aircraft maintenance engineer with Qantas based in Brisbane, Hangar Three.

Ryan holds a Bachelor of Commerce, having majored in both Finance and Economics. He specialised in the areas of investment analysis, equity valuation, portfolio management, and macroeconomics.



**Luke Murray**

LAME Mechanical (Group D)

- **Member of Member Experience Committee**
- **Member of Audit and Risk Committee**
- **Member of Investment Committee**

Luke was appointed to the Board on 4 December 2017. He's a Licensed Aircraft Maintenance Engineer based in Brisbane and has been with Qantas since 1987.

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.



**Maria Cheung**

Head of Wine & Retail Operations at Qantas Loyalty (Group E)

- **Member of Remuneration Committee**

Maria was appointed to the Board on 12 March 2020. Maria is currently the Head of Wine and Retail Operations at Qantas Loyalty. She was previously Head of Service Delivery and Operations for Qantas Loyalty. Maria's career with the Qantas Group spans over 30 years.

Maria holds a Master of Business Administration from the Macquarie Graduate School of Management and a qualification in Project Management from the Australian College of Project Management. She has also completed training in the Lean Sigma Management Program and completed a Senior Management Development Program provided in house by Qantas in conjunction with the University of Technology, Sydney.



## Farewelling two Directors

### John Sipek

After 15 years, John Sipek stepped down from his role on the Qantas Super Board on 23 August 2019. He was first elected as Group C Director in 2004, with Members in Group C classified by Qantas as representing Aircraft Trade Persons other than provided for in Group D, Store Workers and Food Production Workers.

At different points during his tenure, John served as a member of the Insurance, Audit and Risk, Member Experience, and Remuneration Committees.

With the superannuation landscape having changed significantly over the last 15 years, John said he has been proud to serve on the Board of one of the largest corporate super funds in Australia.

In particular, John said his experience on the Board reinforced the importance of having Member-elected Directors.

During John's time on the Board, we launched our new Gateway division and introduced an automated investment option, Glidepath. We also reduced fees for members and launched our flagship financial advice service, helping members build confidence in their financial future.

Having become one of our longest-serving Directors, Qantas Super thanks John for his service and dedication over the last 15 years.



In how many other organisations would shareholders or members have direct contact with their Directors? The great part of having Member-elected Directors is that members can actually speak to you.



### Hendrik van Calcar

Hendrik van Calcar stepped down from the Qantas Super Board on 11 December 2019 after departing the Qantas Group. He was elected as Group E Director in 2018, with Members in Group E classified by Qantas as otherwise than is provided in Groups A-D, including Airline Officers' Award Level 5 – Senior Professional 2, Executive/Management Framework employees, Business & Information Technology Professionals and Professional Engineers.

Hendrik served as a member of the Audit and Risk, Investment, and Remuneration Committees.

Though his tenure as a Director was relatively short, Hendrik said he is proud of what the fund has achieved through his time on the Board.

In particular, he is proud to have reinvigorated conversations on the consideration of ESG – environmental, social, and governance – factors as Qantas Super invests.

"We are now on the frontier of being able to take another step forward on ESG. I feel proud about giving that more energy than it's had in the past," he said.

Hendrik added that he was proud to be leaving a strong Board that is committed to its work, with Member-elected Directors a key element.

Qantas Super thanks Hendrik for his service and dedication during his time on the Board.



I think having Member-elected Directors is important to bringing diversity to the Board, but rather than thinking about the interests of the 4,000 in your employee group, the role is about looking after the interests of all our members.



# Corporate governance

---

The Qantas Super Board is committed to sound corporate governance practices and adhering to relevant regulations. The Board's charter incorporates the objectives and key requirements of the Australian Prudential Regulation Authority's (APRA) 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 when required. In 2019/20 the Board met eight times (including circular resolutions).

The Board's purpose is to:

- Approve the strategic plan and annual business plan
- Provide strategic guidance to Qantas Super
- 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 of Qantas Super
- Provide oversight of management the Executive Office of Qantas Super

Directors who are Qantas Group employees are not separately remunerated by Qantas Super or the Qantas Group for their duties as directors of Qantas Super. The Qantas Group gives employees who are Directors paid time off to prepare for and attend meetings, and to undertake required training. Qantas Super pays for approved training and reimburses travelling and other expenses incurred in attending meetings and training.

## Board Committees

as at 30 June 2020

The Board has put in place standing committees (and, when needed, ad hoc committees for specific matters) which are designed to help Directors manage the Board's functions and responsibilities. Board members are appointed to various committees depending upon their skills, experience, and 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: Cecilia Ho (Chair until 19 September 2019), Lorraine Berends (Chair from 19 September 2019), John Atkin, Ryan Greaves (from 12 March 2020), Luke Murray, Mark Thorpe, and Hendrik van Calcar (until 11 December 2019).

### 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, taking into account regulatory requirements and the impact on Qantas Super's existing membership
- Oversee the management and implementation of the Insurance Management Framework by relevant outsourced service providers

Members: Mark Thorpe (Chair), Lorraine Berends, Cecilia Ho, Bruce Roberts, and John Sipek (until 23 August 2019).

### 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 products, 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), Lorraine Berends, Ryan Greaves (from 12 March 2020), Luke Murray, Bruce Roberts, and John Sipek (until 23 August 2019).

### Audit and Risk Committee

Its purpose is to:

- Provide an objective non-management review of the effectiveness of financial reporting and the 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), John Atkin (from 12 March 2020), Cecilia Ho, Luke Murray, Hendrik van Calcar (until 11 December 2019), and Rachel Yangoyan.

### Remuneration Committee

Its purpose is to:

- Guide the development and implementation of coherent remuneration, talent and performance management policies and practices that fairly and responsibly develop and reward individuals through overseeing the development and implementation of the People Management Framework and the Remuneration Policy
- Conduct a regular review of the People Management Framework and its effectiveness, taking into account regulatory requirements and ensuring it supports performance and talent management
- Conduct a regular review of, and make recommendations to the Board, on the Remuneration Policy, including on its compliance with APRA's Prudential Standard SPS 510 and on its effectiveness in ensuring that appropriate behaviour is encouraged
- Review and make recommendations to the Board on the remuneration of all Responsible Persons (excluding auditors and actuaries) and any other persons who affect the financial soundness of Qantas Super or are identified by APRA
- Review the remuneration structures for each category of individuals covered by the Remuneration Policy, who are not Responsible Persons
- 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: Andrew Monaghan (Chair), John Atkin, Maria Cheung (from 12 March 2020), John Sipek (until 23 August 2019), and Hendrik van Calcar (until 11 December 2019).

### 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: John Atkin (Chair), Andrew Monaghan, and Bruce Roberts.

## Directors' meetings

Directors	Qantas Superannuation Limited Board		Audit and Risk Committee <sup>1</sup>		Insurance Committee <sup>1</sup>		Investment Committee <sup>1</sup>		Member Experience Committee <sup>1</sup>		Nominations Committee <sup>1</sup>		Remuneration Committee <sup>1</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>	Attended	Held <sup>2</sup>
John Atkin	8	8	1	1	0	0	4	4	0	0	4	4	3	3
Lorraine Berends	8	8	0	0	5	5	4	4	3	3	0	0	0	0
Maria Cheung Appointed 12 March 2020	4	4	0	0	0	0	0	0	0	0	0	0	1	1
Ryan Greaves Appointed 19 September 2019	7	7	0	0	0	0	1	1	0	0	0	0	0	0
Cecilia Ho	8	8	4	4	5	5	4	4	0	0	0	0	0	0
Andrew Monaghan	7	8	4	4	0	0	0	0	0	0	4	4	3	3
Luke Murray	8	8	4	4	0	0	4	4	3	3	0	0	0	0
Bruce Roberts	8	8	0	0	5	5	0	0	3	3	4	4	0	0
John Sipek Retired 23 August 2019	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Mark Thorpe <sup>3</sup>	8	8	0	0	5	5	4	4	0	0	0	0	0	0
Hendrik van Calcar Retired 11 December 2019	3	3	2	2	0	0	2	2	0	0	0	0	2	2
Rachel Yangoyan	8	8	4	4	0	0	0	0	3	3	0	0	0	0

<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).

<sup>3</sup> Mark Thorpe's final term and total tenure was extended for an additional 12 months by the Board on 28 May 2020, and his term is now to expire on 12 June 2021.

# Management team

as at 30 June 2020

The management team is responsible for the day-to-day operations 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 management 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:** Russell Investments, Lend Lease, MLC/NAB.

**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 BigFuture.



**Emma Brodie**

Head of Plan Operations  
– Member since 2015

**Role:** Responsible for overseeing the operational aspects of Qantas Super, including its administration and insurance arrangements.

**Appointed:** 2020.

**Experience:** Over 20 years' experience in the superannuation industry, including actuarial consulting roles across the UK and Australia.

**Previous roles:** Russell Investments, Willis Towers Watson.

**Education:** Bachelor of Sciences in Mathematical Science; Qualified Actuary, Institute of Actuaries of Australia and UK Actuaries Institute.



**Dan Healey**

Head of Investment Operations  
– Member since 2015

**Role:** Responsible for all aspects of Qantas Super's Investment Operations function.

**Appointed:** 2020.

**Experience:** Over 20 years' experience in various investment operation roles.

**Previous roles:** J.P. Morgan, Optimal Fund Management, HSBC Institutional Fund Services, Citco Fund Services.

**Education:** Bachelor of Business Administration, Bachelor of Professional Accountancy.



**Stuart Langeveldt**

Chief Experience Officer  
– 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].



**Andy Moser**

Chief Financial Officer  
– Member since 2013

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

**Appointed:** 2013.

**Experience:** 10 years' experience in the financial services industry.

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

**Education:** Masters of Professional Accounting. Masters of Business Administration.

**Other:** Member of the Institute of Chartered Accountants Australia.



**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 and Commercialisation Committee, Member of the Australian Institute of Company Directors



**Tim Swan**

Company Secretary  
– Member since 2011

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

**Appointed:** 2019.

**Experience:** Practising solicitor for over 10 years.

**Previous roles:** Legal Counsel and Group Privacy Officer for Qantas Group. Lawyer at Corrs Chambers Westgarth.

**Education:** Bachelor of Commerce (Business Economics); Bachelor of Laws (Hons).

**Other:** Admitted to the Supreme Court of NSW. Member of the NSW Law Society.



**Suzette Thurman**

Chief Risk Officer  
– Member since 2019

**Role:** Responsible for the Risk and Compliance function at Qantas Super.

**Appointed:** 2019.

**Experience:** Over 25 years of experience primarily in the finance sector with a focus on Superannuation, Risk, Compliance and Operations.

**Previous roles:** First State Super, APRA, Towers Perrin, AMP.

**Education:** Bachelor of Commerce.

# Investments

---

## Our 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 30 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.

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 and move towards your retirement goals.



## Investment performance

See the tables below for investment performance. Past performance is not a reliable indicator of future performance.

### Super and transition to retirement accounts

Returns to 30 June 2020 (% 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> p.a.
<b>Aggressive</b>	-2.8	5.8	5.8	7.6	7.9	6.5
<b>Growth</b>	-1.6	5.3	5.3	6.6	7.0	6.1
<b>Balanced</b>	-0.9	4.6	4.4	5.6	6.1	5.6
<b>Conservative</b>	0.1	3.9	3.8	4.4	4.9	4.8
<b>Cash</b>	1.2	1.6	1.6	1.8	2.4	3.1
<b>Glidepath</b>						
– Take-Off	-2.8	5.8	–	–	–	6.3
– Altitude	-1.6	5.3	–	–	–	5.6
– Cruising	-1.0	5.1	–	–	–	5.2
– Destination	-0.9	4.5	–	–	–	4.6

<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.

### Retirement income accounts

Returns to 30 June 2020 (% 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> p.a.
<b>Aggressive</b>	-3.3	6.2	6.3	8.5	8.9	5.3
<b>Growth</b>	-2.0	5.8	5.8	7.3	7.8	5.1
<b>Balanced</b>	-1.1	5.1	4.9	6.2	6.9	5.2
<b>Conservative</b>	-0.1	4.3	4.1	4.9	5.6	5.0
<b>Cash</b>	1.4	1.8	1.9	2.0	2.7	3.3
<b>Glidepath</b>						
– Take-Off	-3.3	6.2	–	–	–	6.8
– Altitude	-2.0	5.8	–	–	–	6.1
– Cruising	-1.6	5.5	–	–	–	5.6
– Destination	-1.1	5.1	–	–	–	5.1

<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 investment 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.

## How we performed against objectives

While the market experienced significant volatility over the second half of the 2019/20 financial year, all of Qantas Super's investment options beat their long term return targets, exceeding CPI over the relevant time period.

### Super and transition to retirement accounts

Investment option	Return objective	Actual return p.a. (%)	Return objective p.a. (%)	Difference (%)
Glidepath – Take-off*	CPI + 5% p.a. over 10 years	7.3	6.3	1.0
Glidepath – Altitude*	CPI + 4% p.a. over 7 years	6.5	5.3	1.2
Glidepath – Cruising*	CPI + 3.5% p.a. over 6 years	6.1	4.8	1.3
Glidepath – Destination*	CPI + 3% p.a. over 5 years	5.3	4.3	1.0
Aggressive	CPI + 5% p.a. over 10 years	7.9	6.5	1.4
Growth	CPI + 4% p.a. over 7 years	6.6	5.5	1.1
Balanced	CPI + 3% p.a. over 5 years	4.4	4.3	0.1
Conservative	CPI + 2% p.a. over 3 years	3.9	3.1	0.8
Cash	Bloomberg AusBond Bank Bill over 1 year	1.2	0.7	0.5

\*As Glidepath commenced on 1 October 2015, returns shown are for the four years to 30 June 2020.

### Retirement income accounts

Investment option	Return objective	Actual return p.a. (%)	Return objective p.a. (%)	Difference (%)
Glidepath – Take-off*	CPI + 5% p.a. over 10 years	7.9	6.3	1.6
Glidepath – Altitude*	CPI + 4% p.a. over 7 years	7.1	5.3	1.8
Glidepath – Cruising*	CPI + 3.5% p.a. over 6 years	6.6	4.8	1.8
Glidepath – Destination*	CPI + 3% p.a. over 5 years	5.9	4.3	1.6
Aggressive	CPI + 5% p.a. over 10 years	8.9	6.5	2.4
Growth	CPI + 4% p.a. over 7 years	7.3	5.5	1.8
Balanced	CPI + 3% p.a. over 5 years	4.9	4.3	0.6
Conservative	CPI + 2% p.a. over 3 years	4.3	3.1	1.2
Cash	Bloomberg AusBond Bank Bill over 1 year	1.3	0.7	0.6

\*As Glidepath commenced on 1 October 2015, returns shown are for the four years to 30 June 2020.

#### Important information

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

## How we achieved these results

These results underscore the importance of building well-diversified portfolios with investments that complement one another. Our investment options (excluding the Cash option) are invested in over 5,000 investments globally, which in addition to shares, also includes infrastructure, timberland, property, agriculture, a variety of bonds, and cash.

Having your super spread across these different types of investments helps smooth the ups and downs that may be experienced by any one type of investment and helps your super to perform over the long term.

This year we expanded the asset allocation ranges for each of the Plan's investment options (excluding the Cash option). This move gives our in-house investment team greater flexibility to maintain and, if appropriate, invest further in our various asset classes, and in turn improve our ability to achieve investment return objectives for our members.

The work we have done over the last decade to de-risk the investment strategy of our defined benefit portfolio also resulted in it remaining fully funded throughout 2019/20, despite the periods of volatility experienced by the market. This means members in defined benefit divisions can be confident that there are sufficient assets to pay benefits when required.

You can learn more about how your super is invested on pages 31 to 35.

## How investment markets have performed

The 2019/20 financial year was one for the history books, with markets navigating everything from BREXIT, to a global trade war, to a US Presidential election playing out over social media, to a global pandemic.

The first half of the year was broadly positive. Following months of tension that caused ripple effects around the world, January 2020 saw the US and China agreed to terms on Phase 1 of a new trade deal in January 2020, while the UK officially 'departed' the European Union and moved into a transition period. The partial resolution of these two issues was enough to give markets globally the degree of certainty they needed to find a greater sense of stability day to day.

Closer to home, the S&P/ASX 200 index, which is one of the key benchmarks for the performance of the Australian market, reached its pre-global financial crisis peak in July 2019. It then reached a new record peak of 7,162.5 points in February 2020.

Following the strong start to the calendar year, markets experienced volatility in the

March 2020 quarter as COVID-19 began to take hold around the world and governments enforced lockdowns to contain its spread. While falls in share markets dominated the headlines, a range of so-called 'safe haven' assets, such as government bonds and high quality credit investments, performed well during this time.

Share markets staged a partial recovery in the June 2020 quarter, buoyed by lockdowns easing globally and a range of support measures from governments and central banks. In hand with the Australian Government's JobKeeper and JobSeeker stimulus, the Reserve Bank of Australia (RBA) announced two interest rate cuts in March 2020 to help lift the economy and encourage businesses to invest and consumers to spend.

The rebound from one quarter to the next reminds us that, though it can be unsettling to experience, market volatility is a normal part of investing for the long term. While past performance is not a guarantee of future performance, markets have historically recovered from downturns as economies grow.



**The rebound from one quarter to the next reminds us that, though it can be unsettling to experience, market volatility is a normal part of investing for the long term.**



## How returns are calculated

Investment returns for each investment option are applied using credited interest rates (CIRs). A history of our investment performance – both over time and against our investment objectives – is available on our website.

### Credited interest rates

CIRs represent, as far as practicable, the net investment returns (net of investment tax except for retirement income accounts, where the only tax applicable is franking credits) 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 31 to 35 for a list of our investment options. If you don't choose an investment option, 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



## About our investment options

as at 30 June 2020

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, gas royalties and high-yield corporate bonds. 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 pages 31 - 35 for more information.

### Investment limits

We manage investment risk in a number of ways, including by applying limits.

- 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 in a portfolio provided by any single investment manager. While our centralised portfolio manager, Parametric Portfolio Associates LLC, manages 97% of Qantas Super's investments in Australian and global equities, the centralised portfolio that Parametric manages is based on model portfolios provided by 10 of our underlying investment managers. As such, we are satisfied that the concentration of assets within the Parametric structure is appropriately diversified in line with our diversification belief

- To ensure member assets are well diversified, no one single asset, for example an individual stock or unlisted infrastructure asset, represents the value of more than 5% of our total assets

Additionally, as at 30 June 2020:

- Two investment managers (Pental Institutional Limited and Parametric Portfolio Associates LLC) and one bank (Australian and New Zealand Banking Group Limited, in which we invest our Cash option) each managed more than 5% of our total funds under management
- We had approximately \$11.8 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.

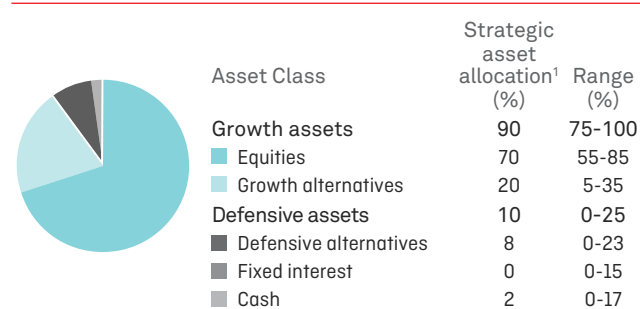
		30 June 2020 (\$ million)	30 June 2019 (\$ million)	Change (\$ million)
Growth assets	<b>Equities</b>			
	Australian equities	1,417.90	1,541.13	-123.23
	Global equities	1,626.03	2,014.20	-388.17
	Private equity	347.27	394.61	-47.34
	Total equities	3,391.20	3,949.94	-558.74
	<b>Growth alternatives</b>			
	Opportunistic growth alternatives	588.16	420.78	167.38
	Infrastructure	374.73	338.01	36.72
	Property	92.66	159.84	-67.18
	Timberland	225.55	225.49	0.06
	Agriculture	54.62	58.42	-3.80
	Total growth alternatives	1,335.72	1,202.54	133.18
	Defensive assets	<b>Defensive alternatives</b>		
Diversity		–	443.34	-443.34
Multi-strategy		310.87	356.63	-45.76
Total defensive alternatives		310.87	799.97	-489.10
<b>Fixed interest</b>				
Credit		706.16	463.79	242.37
Fixed interest (other)		1,308.07	1,161.76	146.31
Total fixed interest		2,014.23	1,625.55	388.68
<b>Cash</b>				
Total assets*		8,167.70	8,450.66	-282.96

Please note: The 'Total assets' figure (\* in above table) and the 'Net assets available to pay benefits' figure (on page 38) 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 38) is Net Market Value. You can see the asset allocation for each investment option (as at 30 June 2020) by visiting [www.qantassuper.com.au](http://www.qantassuper.com.au). Totals may not add due to rounding.

## The Glidepath option – investment stages in detail

as at 30 June 2020

### 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 high degree of risk.

#### Investment objective

This investment stage aims to:

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

#### Minimum suggested time to invest

10 years.

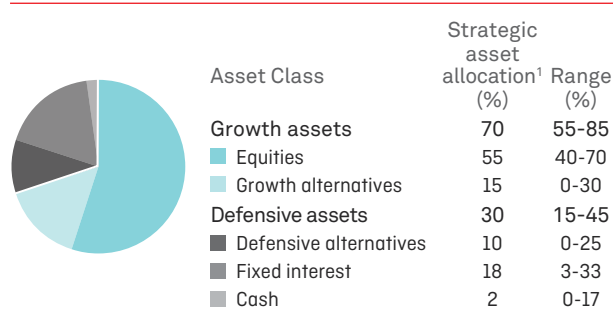
#### Risk level

This investment stage has a high degree of risk (risk band 6).

The estimated number of negative annual returns over any 20 year period is 4.4 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% pa over a seven year period, after tax and investment fees; and
- 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).

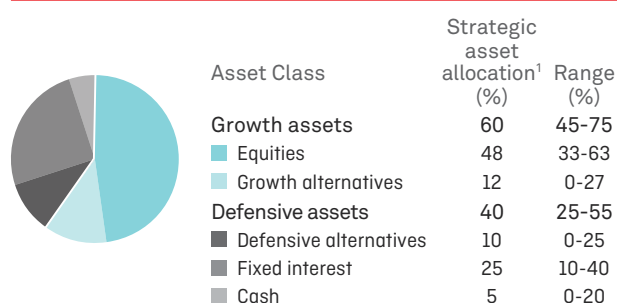
The estimated number of negative annual returns over any 20 year period is 3.7 years.<sup>2</sup>



<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 may be 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% pa over a six year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to less than three and a half in 20 years (or 17.5% likelihood in each year).

### Minimum suggested time to invest

6 years.

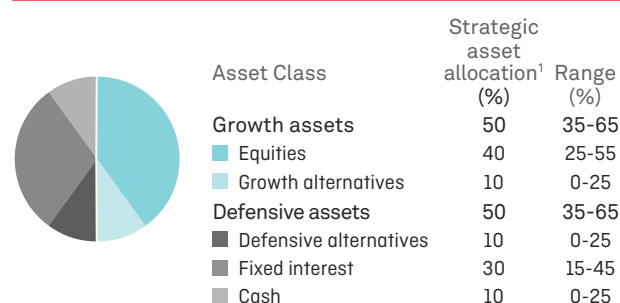
### Risk level

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 3.4 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% pa over a five year period, after tax and investment fees; and
- 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 2.99 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.

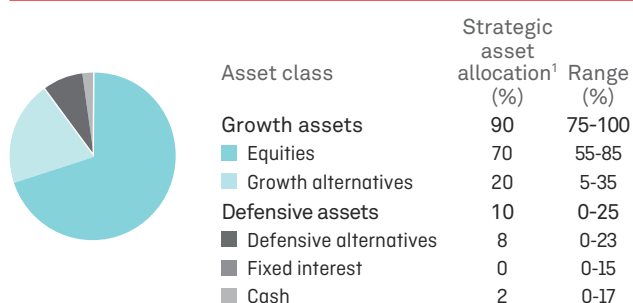
<sup>2</sup> The figure shown is the estimated number of negative annual returns over any 20 year period for this investment stage. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks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



## Other investment options in detail

as at 30 June 2020

### 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 high degree of risk.

#### Investment objective

This investment option aims to:

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

#### Minimum suggested time to invest

10 years.

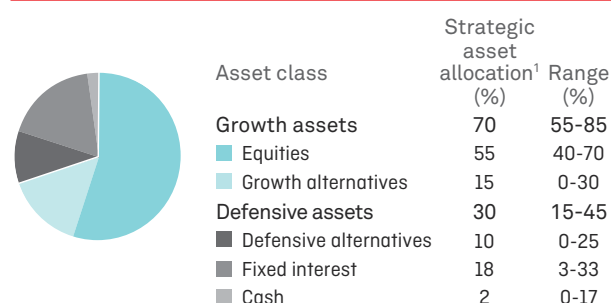
#### Risk level

This investment option has a high degree of risk (risk band 6).

The estimated number of negative annual returns over any 20 year period is 4.4 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% pa over a seven year period, after tax and investment fees; and
- 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).

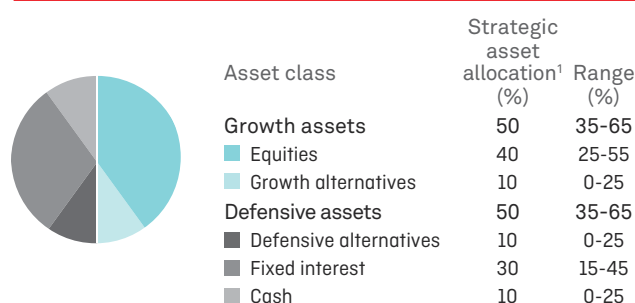
The estimated number of negative annual returns over any 20 year period is 3.7 years.<sup>2</sup>



<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 may be 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% pa over a five year period, after tax and investment fees; and
- 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.

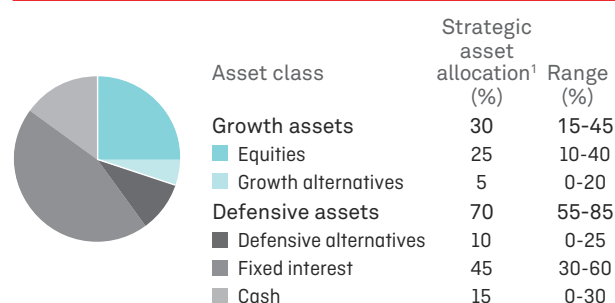
### Risk level

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 2.99 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 low to medium likelihood of negative returns.

### Investment objective

This investment option aims to:

- achieve a return that exceeds CPI by at least 2% pa over a three year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to 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 1.9 years.<sup>2</sup>

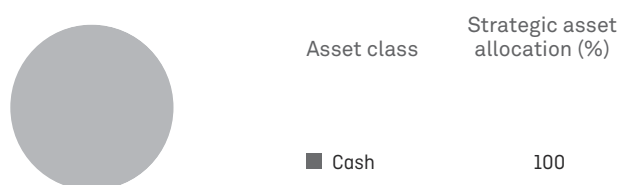


<sup>1</sup> The strategic asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

<sup>2</sup> The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This may be 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.

## Cash

---



---

### Overview

Designed for investors who want exposure to cash. Currently, the Cash option invests via an ANZ bank account. The risk of negative returns is very low.

---

### Investment objective

This investment option aims to:

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

---

### Minimum suggested time to invest

No minimum time applicable.

---

### Risk level

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

The estimated number of negative annual returns over any 20 year period is nil.<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 may be 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.

## Our investment managers

Our managers are geographically diverse, and are located all around the world. We monitor the appropriateness of our investment managers in relation to our objectives and strategies on an ongoing basis.

Investment managers as at 30 June 2020	Market
<b>Australian equities</b>	
DNR Capital Pty Ltd*	Australian
Ellerston Capital Limited^*	Australian
Numeric Investors LLC*	Australian
Pendal Institutional Limited*	Australian
Parametric Portfolio Associates LLC <sup>1</sup>	Australian
<b>Global equities</b>	
Acadian Asset Management LLC*	Global
Columbia Management Investment Advisers, LLC*	Emerging
Dalton Investments LLC*	Asian
GQG Partners LLC*	Global
Parametric Portfolio Associates LLC <sup>1</sup>	Global
Wasatch Advisors, Inc*	Global
Wells Capital Management, Inc*	Emerging
<b>Private equity</b>	
ROC Capital Pty Limited	Global
<b>Opportunistic Growth Alternatives</b>	
Bain Capital, LP	Distressed and Performing Credit
Longreach Alternatives Ltd	Gas and Oil Royalties
<b>Infrastructure</b>	
Equis Funds Group Pte Ltd	Global (Asian)
Palisade Investment Partners Ltd	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>	
Acadian Asset Management LLC	Multi-strategy
Athena Investments	Multi-strategy
Invesco Ltd	Multi-strategy
Man Risk Premia SPC	Alternative Risk Premia
<b>Fixed Interest</b>	
Metrics Credit Ltd	Australian – Credit
Westbourne Credit Management Limited	Global Infrastructure Debt
Axonix Capital LLC	Global
EJF Capital LLC	Global
Ardea Investment Management Pty Limited	Australian
Capula Investment Management LLP	Global
H2O Asset Management LLP	Global
Wellington Management Company LLP	Global
Jamieson Coote Bonds Pty Ltd	Australian
<b>Cash</b>	
Australian and New Zealand Banking Group Limited (ANZ)	Australian
Pendal Institutional Limited	Australian
<b>Overlays</b>	
Insight Investment Management (Global) Limited	Foreign Currency
Parametric Portfolio Associates	Whole of Plan

<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, Numeric Investors LLC and Pendal Institutional Limited. 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, Columbia Management Advisers LLC, Dalton Investments LLC, GQG Partners LLC, Wasatch Advisors, Inc and Wells Capital Management, Inc.

^ Ellerston Capital Limited also manages a portfolio outside Parametric Portfolio Associates LLC's Centralised Portfolio Management function.

## The cost of managing your investment

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

### Actual fees for 2019/20

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	0.39		0.56		0.95
– Altitude	0.36		0.51		0.87
– Cruising	0.34		0.48		0.82
– Destination	0.31		0.43		0.74
<b>Aggressive</b>	0.39		0.56		0.95
<b>Growth</b>	0.36		0.51		0.87
<b>Balanced</b>	0.31		0.43		0.74
<b>Conservative</b>	0.26		0.36		0.62
<b>Cash</b>	0.07		0.00		0.07

<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 2020 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 2020. Our full audited financial statements and the auditor's report for the year ended 30 June 2020 will be available on our website by 31 December 2020. 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 2020 (\$ million)	As at 30 June 2019 (\$ million)
Investments	8,241.2	8,457.0
<b>Plus</b>		
Other assets	14.7	14.5
<b>Less</b>		
Other liabilities	95.8	90.6
<b>Net assets available to pay benefits</b>	<b>8,160.1</b>	<b>8,380.9</b>
<b>Less</b>		
Members' benefits	7,844.1	7,906.0
<b>Net assets</b>	<b>316.0</b>	<b>474.9</b>
<b>Equity</b>		
Reserves	38.0	38.9
Defined benefit surplus	278.0	436.0

### Abridged income statement

	Year ending 30 June 2020 (\$ million)	Year ending 30 June 2019 (\$ million)
<b>Revenue</b>		
Investment income	-13.6	591.7
Other revenue	1.6	2.1
<b>Total revenue</b>	<b>-12.0</b>	<b>593.8</b>
<b>Less</b>		
<b>Expenses</b>		
Investment expenses	28.3	32.2
General administration expenses	16.3	14.8
<b>Total expenses</b>	<b>44.6</b>	<b>47.0</b>
<b>Net income superannuation activities</b>	<b>-56.6</b>	<b>546.8</b>
<b>Less</b>		
Net insurance activities	7.5	9.8
<b>Less</b>		
Net benefits allocated to members	113.7	419.7
<b>Operating result before income tax</b>	<b>-177.8</b>	<b>117.3</b>
Income tax expense / (benefit)	-22.6	40.0
<b>Operating result after income tax</b>	<b>-155.2</b>	<b>77.3</b>

### Abridged statement of changes in member benefits

	Year ending 30 June 2020 (\$ million)	Year ending 30 June 2019 (\$ million)
<b>Opening balance of member benefits</b>	<b>7,906.0</b>	<b>7,551.8</b>
Contributions received	292.9	316.1
Transfers from other superannuation plans	92.8	61.6
Income tax on contributions	-34.1	-40.8
<b>Net after tax contributions</b>	<b>351.6</b>	<b>336.9</b>
Net benefits paid	-530.3	-399.7
Net insurance (cost)/benefit	-0.6	-5.0
Death and disability benefits credited to members	3.7	2.3
Net benefits allocated to member accounts	113.7	419.7
<b>Closing balance of member benefits</b>	<b>7,844.1</b>	<b>7,906.0</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>
<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>
<b>Reserve 30 June 2018</b>	<b>11,814</b>	<b>4,743</b>	<b>-</b>	<b>19,450</b>
Amounts allocated during year	-2,243	-34	-	-
Transfers during year	132	2,991	208	1,755
<b>Reserve 30 June 2019</b>	<b>9,703</b>	<b>7,700</b>	<b>208</b>	<b>21,205</b>
<b>Reserve 30 June 2019</b>	<b>9,703</b>	<b>7,700</b>	<b>208</b>	<b>21,205</b>
Amounts allocated during year	-3,411	-31	-214	-
Transfers during year	2,554	-487	216	584
<b>Reserve 30 June 2020</b>	<b>8,846</b>	<b>7,182</b>	<b>210</b>	<b>21,789</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 5 December 2019 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 2019/20.

## 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 and 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 2019/20 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 are caps for concessional and non-concessional contributions. The caps and information about the penalty tax applied to contributions that exceed these caps can be found at [qantassuper.com.au](http://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)  
[ausfund.com.au](http://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 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: [afca.org.au](http://afca.org.au)

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

Phone: 1800 931 678 (free call)

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

## 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) (Privacy Act).

### Our Privacy Policy

Our Privacy Policy sets out our approach to the management of personal information. Subject to the Privacy Act, 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 [qantassuper.com.au/privacy-policy](http://qantassuper.com.au/privacy-policy).

### 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 ATO, 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.

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

## Our service providers

The Trustee appoints a number of service providers to assist in the management of Qantas Super. In 2019/20 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 36

### 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 Superannuation 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.

## Contact us



### Phone

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



### Postal address

Qantas Super  
GPO Box 4303  
Melbourne VIC 3001



[www.qantassuper.com.au](http://www.qantassuper.com.au)

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).

