

Minutes of the FY2020/2021 Annual Member Meeting Qantas Superannuation Limited

Held online on Tuesday, 25 January 2022 at 2:30pm

A video recording of the meeting can be found here:

https://youtu.be/xNSMib2Sf_E

Presenters:	John Atkin – Chair Michael Clancy – Chief Executive Officer Andrew Spence – Chief Investment Officer Suzette Thurman – Chief Risk Officer
Other Directors Present:	Cecilia Ho Klair Safier Lorraine Berends Luke Murray Lyle Brownscombe Rachel Yangoyan Richard Garner Ryan Greaves
Apologies	Andrew Monaghan
Others Responsible Persons Present:	Andy Moser – Chief Financial Officer Ben Tompsett – External Auditor, PwC Ian Tracey – Internal Auditor, KPMG (MS Teams) Nick Callil – Plan Actuary, Willis Towers Watson (MS Teams) Bronwyn Houghton – Company Secretary Dan Healey – Head of Investment Operations Emma Brodie – Head of Plan Operations Stuart Langeveldt – Chief Experience Officer
Other Staff Present	Gina Baldassarre – Manager, Marketing and Communications Josephine Tannous – Superannuation Advisor Simone D'Souza – Superannuation Associate Tom MacDonald – Senior Manager, Member Experience Zaheed Khan – Member Care Consultant Joanna Bara – Risk Analyst Stewart Raper – Product Manager Kimberly Uesiliana – Senior Manager, Legal Nicole Bucknall – Finance Analyst Daniel Steltenpool – Senior Manager, Plan Operations Raymond Chen – Investment Analyst Barbara Smialkowski – Manager, Risk and Compliance Jason Reid – Senior Manager, Investments

Formal presentations

Welcome and Chair Address

John Atkin, Chair of the QSL Board, addressed the attendees and:

- welcomed all members and the Directors of Qantas Superannuation Limited (Directors);
- acknowledged the Traditional owners of the lands from which people are joining the meeting and paid his respects to their elders past, present and emerging, and any Aboriginal and Torres Strait Islander people who are also attending this meeting;
- provided an overview of the Annual Member Meeting agenda;
- introduced the Directors and highlighted the diversity of experience and qualifications of the Board;
- introduced the members of QSL's Leadership Team;
- noted the interaction of the Board and the Leadership Team and provided an overview of the role of the Board and its approach to governance of the fund;
- noted Qantas Super's outstanding investment performance;
- noted that QSL has a strong relationship with Qantas Airways Limited (QAL), the Plan's Sponsor; and
- noted that QSL has a strong focus on cyber security.

Chief Executive Officer Address

Michael Clancy, Chief Executive Officer, addressed the attendees and noted that:

- COVID-19 has meant that the team has needed to adapt quickly in order to manage the issues faced due the pandemic to ensure it was able to support Members through this difficult period;
- from 1 July 2021, administration fees were significantly reduced;
- investment fees have also reduced over the last few year, but not compromising the integrity of the strong investment approach;
- the focus on fees is designed to maximise Member's retirement savings;
- the Plan superannuation and income products have achieved 'Gold' rankings from SuperRatings, an independent superannuation research agency;
- the team works closely with the Plan Actuary and QAL to ensure there are sufficient assets in the Defined Benefit (DB) portfolio to cover the DB obligations for Members' accounts; and
- acting in Members' best financial interests is management and the Board's primary focus.

Investment Performance

Andrew Spence, Chief Investment Officer, addressed the attendees and noted that:

- Qantas Super delivered record investment returns for the year ending 30 June 2021;
- the 'Aggressive', 'Growth' and 'Balanced' investment options were ranked first by SuperRatings relative to competitors, with the 'Conservative' investment option being ranked second, and 'Cash' investment option being ranked fourth;

- in 2021, the Trustee announced its goal to achieve net zero carbon emissions across the investment portfolio by 2050, with phase one of that commitment having a goal of achieving a 24% reduction in carbon emissions by 2025 (using the 30 June 2020 as the baseline); and
- the team plans to achieve this by implementing a sustainable listed equity strategy, and through other new private market and fixed interest opportunities that balance return expectations and carbon intensity.

Highlights of FY21/22

Suzette Thurman, Chief Risk Officer, addressed the attendees and noted the highlights of FY21/22 including:

- the expansion of the help provided to members with the launch of the Member Care Team;
- the reduction in administration fees;
- the launch of the new mobile application; and
- the launch of the low-cost investment option called “Thrifty”.

Question and answer session

Michael Clancy welcomed attendees to the Question and Answer session and noted that the team is unable to answer questions of a personal nature.

Michael Clancy further noted that Management had received two questions via email prior to the meeting that would be addressed next.

1. ***Questions (email prior to meeting): A number of New Zealand super funds have begun to make allocations towards Bitcoin? Does Qantas Super have a strategy to be a leader or a laggard in this area?***

Andrew Spence addressed the attendees and noted that:

- Qantas Super has not made any allocation to crypto currencies, such as Bitcoin, at this stage; and
- the key reasons are that the Investment team has:
 - been able to identify opportunities that offer more attractive risk/return characteristics; and
 - there is significant price volatility in the crypto currency space, for example Bitcoin is currently down 45% from its all-time high in November 2021; and
- the Investment team has, however, been targeting businesses and infrastructure that support digital transformations across the global economy.

2. ***Question (email prior to meeting): In terms of fund size, where does Qantas Super sit compared to other major Australian funds?***

Michael Clancy addressed the attendees and noted that:

- as of 30 June 2021, there were 118 APRA-regulated superannuation funds;
- the average fund size of the 10 largest superannuation funds was \$112bn; and

- at the same time, Qantas Super had asset of \$8.5bn;
- Qantas Super is large enough to get many of the scale benefits that other superannuation funds have;
- Because of Qantas Super's size, and because the Plan exists only for QAL employees or former employees, the products and services provided to members are tailored to employees of an airline.

3. Question (member): *I have left dNata Catering due to a redundancy in 2019 and have been contributing after tax funds into Gateway and have lost a few thousand over a few weeks is this money lost as my contributions or is it reinvested to come back when the market picks up?*

Michael Clancy addressed the member and noted that:

- the funds will have been invested in an investment option that you chose or a default super option; and
- the value of an account will always rise and fall with the market;
- over the long-term, share markets tend to go up and bond markets tend to deliver good, although steadier returns; and
- therefore, despite year to year fluctuations, it is expected that over the medium to long-term, the value of your super account will grow.

Conclusion and thanks

John Atkin thanked the presenters.

There being no further business or questions, the meeting closed at 3:05pm.