

# Target market determination

## For Income Account members of Qantas Super's Gateway Division

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- **Trustee of Superannuation Fund:** Qantas Superannuation Limited
- **Fund Name:** Qantas Super
- **Australian Business Number (ABN):** 41 272 198 829
- **Unique Superannuation Identifier (USI):** 41272198829401

Qantas Super is a complying, resident regulated superannuation fund within the meaning of the *Superannuation Industry (Supervision) Act 1993 (SIS Act)*.

## 1. About Qantas Super Plan

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The Qantas Super Plan (the **Plan**) has been specifically designed for current and former employees of Qantas Airways Limited (the **Plan Sponsor**) and associated employers and their spouses. The Plan is a non-public offer fund, i.e. it is not open to members of the public. The Plan includes a MySuper product and several defined benefit divisions. A Target Market Determination (**TMD**) is not required for MySuper products or in respect of defined benefit members.

Employee Members can remain in the Plan after they cease employment with the Plan Sponsor. All members can also access an Income Account when they satisfy the eligibility conditions and can transfer their account to another fund at any time, and if they decide that the Plan's features are no longer suitable for their objectives, financial situation or needs.

## 2. About this document

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This TMD seeks to offer consumers, distributors and staff an understanding of the class of consumers for which this product has been designed, having regard to the likely objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to the Product Disclosure Statement (**PDS**) and any supplementary documents when deciding about this product.

### **Product Disclosure Statement to which this target market determination applies**

This TMD applies to the relevant Gateway product referred to in the following PDS:

- Qantas Super Gateway – Member Guide Product Disclosure Statement

### **Other documents to which this Target Market Determination applies**

This TMD applies to the relevant Gateway product referred to in the following documents:

- Qantas Super Gateway – Member Guide Supplement
- Qantas Super – Investment Guide
- Fact sheet – Which Glidepath investment stage am I invested in?

## **3. Important dates**

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- Date from which this TMD is **effective**: 1 April 2022
- Date on which this TMD was **last reviewed**: 1 April 2022
- Date on which this TMD will be **next reviewed**: 1 July 2022

## **4. Consumers that fall within this target market**

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The information below summarises the overall class of consumers that fall within the target market for Gateway (Income Account Members).

Gateway (Income Account members) is designed for consumers who:

- Have met a condition of release and are looking to draw down on their superannuation savings through regular payments; or
- Have reached their preservation age and are looking to draw down part of their superannuation savings via a transition to retirement strategy; or

- Are a beneficiary of a death benefit payable in respect of a Qantas Super member who was the spouse of that member; and
- Have a minimum of \$30,000 to invest in an Income Account.

Gateway (Income Account members) is not designed for consumers who:

- Have not met a condition of release or reached their preservation age;
- Want to receive superannuation guarantee contributions to their Income Account;
- Are members of the public who do not have a current Qantas Super account; or
- Do not have a minimum of \$30,000 to invest in an Income Account; or
- Wish to invest more than the general transfer balance cap into an Income Account; or
- Want to have insurance cover associated with their Income Account.

## Product description and key attributes

The key product attributes of the Gateway (Income Account members) product are:

- A range of pre-mixed investment options that have different allocations to growth and defensive assets and different risk profiles and levels of diversification;
- Access to a super to pension retirement bonus for the first Income Account opened by an Income Account Member;
- A member online portal which provides a comprehensive view of the member's benefits and entitlements; and
- Access to intra-fund advice within the workplace at no extra cost.

## Objective, financial situation, and needs

The table below sets out the class of consumers that each investment option within Gateway (Income Account members) has been designed for:

### Aggressive

This option is designed for investors who:

- Want an investment portfolio predominantly invested in growth assets, with a high degree of risk;
- Have an investment time horizon of at least 10 years; and
- Are seeking to achieve investment returns that exceed CPI by at least 4.0% pa over a 10 year period, after tax and investment fees.

### Auto-pilot

This option is for members who want an easy path for commencing a retirement income stream, with pre-set features that provide a regular income stream but allow flexibility. The Auto-pilot option has the following features:

- 15% allocation to the Cash option;
- 85% allocation in the Glidepath option in the investment stage that applies to the member's age group;
- Annual income draw down of 6% of opening

## Growth

This option is designed for investors who:

- Want an investment portfolio predominantly invested in growth assets, with a high degree of risk;
- Have an investment time horizon of at least 7 years; and
- Are seeking to achieve investment returns that exceed CPI by at least 3.5% pa over a 7 year period, after tax and investment fees.

## Balanced

This option is designed for investors who:

- Want an investment portfolio balanced between growth and defensive assets, with a medium to high degree of risk;
- Have an investment time horizon of at least 5 years; and
- Are seeking to achieve investment returns that exceed CPI by at least 2.5% pa over a 5 year period, after tax and investment fees.

## Conservative

This option is designed for investors who:

- Want stable, modest returns, with a medium degree of risk;
- Have an investment time horizon of at least 3 years; and
- Are seeking to achieve investment returns that exceed CPI by at least 1.5% pa over a 3 year period, after tax and investment fees.

## Thrifty

This option is designed for investors who:

- Want an investment portfolio predominantly invested in low-cost passive growth assets, with a high degree of risk;

account balance, subject to minimum payment requirements;

- Income payments from the Cash option, once that runs out then drawn from the Glidepath option; and
- Fortnightly income payments.

The member can change any features of the Auto-pilot option at any time.

## Glidepath

This investment option designed to provide a greater exposure to growth assets early in a member's career and then to automatically reduce this exposure to growth assets as retirement nears. Glidepath has four investment stages: Take-off, Altitude, Cruising and Destination.

### Take-off

Take-off is designed for investors who:

- Want an investment portfolio predominantly invested in growth assets, with a high degree of risk;
- Have an investment time horizon of at least 10 years; and
- Are seeking to achieve investment returns that exceed CPI by at least 4.0% pa over a 10 year period, after tax and investment fees.

### Altitude

Altitude is designed for investors who:

- Want an investment portfolio predominantly invested in growth assets, with a high degree of risk;
- Have an investment time horizon of at least 7 years; and
- Are seeking to achieve investment returns that exceed CPI by at least 3.5% pa over a 7 year period, after tax and investment fees.

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## Cash

This option is designed for investors who:

- Want exposure to cash, with a very low degree of risk; and
- Are seeking to achieve investment returns equal to the Bloomberg AusBond Bank Bill Index, after tax and investment fees, over a rolling one year period.

## Cruising

Cruising is designed for investors who:

- Want an investment portfolio with growth opportunities, with a high degree of risk;
- Have an investment time horizon of at least 5 years; and
- Are seeking to achieve investment returns that exceed CPI by at least 3% pa over a 5 year period, after tax and investment fees.

## Destination

Destination is designed for investors who:

- Want an investment portfolio balanced between growth and defensive assets, with a medium to high degree of risk;
- Have an investment time horizon of at least 5 years; and
- Are seeking to achieve investment returns that exceed CPI by at least 2.5% pa over a 5 year period, after tax and investment fees.

## Consistency between target market and the product

This product is likely to be consistent with the likely objectives, financial situation and needs of a class of consumers in the target market. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the identified class of consumers.

The Gateway (Income Account members) product:

- Fulfils a need for consumers in the target market;
- Includes features/attributes that are consistent with the objectives, financial situation and needs of the target market,
- Delivers on what was promised; and
- Has previously benefited target market consumers in the past.

Gateway (Income Account members) will be next reviewed on 5 October 2024, unless a review trigger occurs before that time (see section 6 below). During the review Qantas Super will carefully consider whether Gateway (Income Account members) continues to be suitable for consumers in the target market.

## 5. How this product is to be distributed

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As noted above, Qantas Super is a non-public offer superannuation fund. In accordance with the superannuation legislation, members of the public who are not employees of Qantas Airways Limited or an associated employer nor the current or former spouses of such employees, cannot join the Plan.

### Distribution channels

This product is designed to be distributed through the following means:

- Through the Qantas Super website (for eligible consumers only);
- By external Financial Planners;
- By Qantas Super employees who are Authorised Representatives of Guideway Financial Services Pty Ltd; and
- By Qantas Super phone consultants authorised to provide financial advice by Mercer Financial Advice.

### Distribution conditions

This product should only be distributed under the following circumstances:

- Where the prospective member is a resident within Australia and has met a condition of release or reached their preservation age to access their superannuation savings;
- Where the prospective member is employed by Qantas Airways Limited or an associated employer, or is a former employee with a current Qantas Super account, or is a current Spouse Member; and
- To consumers that fall within the target market.

### Adequacy of distribution conditions and restrictions

The Trustee seeks to minimise the risk of the Plan's Gateway Division being acquired by people for whom it may be less appropriate by retaining the Plan's non-public offer status. The Trustee considers that because interests in this Plan can only be issued via employer arrangements, it is unlikely that such interests could be inappropriately distributed.

An eligible person may from time to time elect to join the Gateway Division of the Plan following the receipt of personal financial product advice. The risk of inappropriate distribution of this product via this means is considered to be low as advisers are required to consider the personal objectives, financial situation and needs of the person and because the distribution conditions referred to above apply regardless of whether the person has received personal advice.

## 6. Reviewing this Target Market Determination

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We will review this TMD in accordance with the below:

### **Initial review**

5 October 2021

### **Next standard review**

1 July 2022

### **Next periodic review**

5 October 2024

### **Review triggers or events**

Any event/circumstance which arises that would suggest the TMD is no longer appropriate. This may include (but is not limited to):

- a material change to the design or distribution of the product;
- occurrence of a significant dealing;
- distribution conditions found to be inadequate, such as distribution to consumers that are not employed by Qantas Airways Limited or an associated employer;
- identification of significant detriment to consumers if the TMD was not reviewed;
- external events such as adverse media coverage or regulatory attention;
- significant changes in metrics, including but not limited to, complaints and contact points with Qantas Super in relation to Gateway (Income Account members);
- 50% year-on-year increase in investment option switching from a single option;
- 10% of the target market exiting the product in a quarter;
- persistent member complaints about investment options or product;
- 10 member complaints relating to investment options, product or insurance in a month;
- sale or acquisition of an asset that was/is an important part of the investment holdings of a particular investment option; or
- a change has occurred that effects the objectives of the target market.

For the avoidance of doubt, less substantial changes such as the like-for-like replacement of an investment manager is not considered a major change that would require a review of this determination.

Where a review trigger has occurred and Qantas Super becomes aware that a review trigger has occurred, or an event/circumstance has occurred that would reasonably suggest that the TMD is no longer appropriate, this TMD will be reviewed within 10 business days.

## 7. Reporting and monitoring this target market determination

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We will collect the following information from stakeholders in relation to this TMD.

### Complaints

Our Administrator will report on the number of complaints in relation to the Gateway (Income Account members) product covered by this TMD on a monthly basis. Reporting is still required if the number of complaints is zero.

This will include the substance of complaints and general feedback relating to the product and its performance.

### Switching

Our Administrator will report on the number of investment switches for members of the Gateway (Income Account members) product covered by this TMD on a weekly basis.

This reporting will include the volume and dollar value of the transactions.

### Exits

Our Administrator will report on the number of members exiting the Gateway (Income Account members) product covered by this TMD on a monthly basis.

Qantas Super Gateway (Gateway) is a division of the Qantas Superannuation Plan ABN 41 272 198 829, RSE R1005486 (Qantas Super). The trustee of Qantas Super is Qantas Superannuation Limited ABN 47 003 806 960, AFSL 288330, RSE licence L0002257 (QSL, we, us, our or Trustee).

### Significant dealings

Our Administrator will report if they become aware of a significant dealing in relation to this TMD within 10 business days.

A significant dealing includes circumstances where:

- Five percent of consumers who have acquired this product are not in the target market over a six-month period;
- Five percent of consumers who have acquired the product have characteristics that are specifically excluded from the target market;
- Distribution conditions have regularly not been met; or
- There is a consistent feature that identifies when or how a consumer outside the target market acquires the product.

**Was this helpful?**


**We're here to help**



If you want to learn more or need help with making a decision about your super, you can get simple advice over the phone. It's included as a part of your membership so there's no extra cost.

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\*Returns for the Qantas Super Glidepath Take-Off option were ranked number 1 over 1, 3, and 5-year periods as published in the SuperRatings Fund Crediting Rate Survey – Default Options as at 31 March 2022. Past performance is not a reliable indicator of future performance. Before considering whether Qantas Super is right for you, consider the PDS and TMDs. Past performance is not a reliable indicator of future performance.

The information contained in this site is provided to help members understand their superannuation entitlements in Qantas Super. The information is not intended to constitute financial product advice – general or personal advice. Nor can it take the place of such advice from a financial adviser who understands your objectives, financial situation and needs. The Trustee gives no warranty of reliability or accuracy, and accepts no responsibility arising in any other way (including by reason of negligence) for errors or omissions herein. The Trustee recommends that members seek individual financial advice before making any decision with regard to their superannuation.