

**ANNUAL
REPORT**

2018/19

Helping you
make the most
of your super


Maritime Super
OUR FUTURE



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The information stated about the Fund is current at the date of issue, unless otherwise stated. The report contains general and summary information only and does not take into account your individual objectives, financial situation or needs. Consequently, you should consider the appropriateness of any general information in relation to your situation before making an investment decision. The Trustee recommends you seek financial advice before making any decisions concerning your super.

The Fund's Product Disclosure Statements (PDSs) and Supplements and Maritime Financial Services Pty Limited's Financial Services Guide are available by calling 1800 757 607. You should consider the PDS and its Supplements in deciding whether to acquire or continue to hold a product.

The financial statements on page 18 are from audited accounts. Past performance is not necessarily an indicator of future performance.

The Fund

Maritime Super
ABN 77 455 663 441
RSE Registration No. R1001747
MySuper Authorisation No. 77455663441220

The Trustee

Maritime Super Pty Limited
ABN 43 058 013 773
AFSL No. 348197
RSE Licence No. L0000932
Level 16, 31 Market Street, Sydney NSW 2000

The Administrator

Maritime Financial Services Pty Limited (MFS)
ABN 16 105 319 202
AFSL No. 241735
Locked Bag 2001, QVB Post Office NSW 1230

Our message to you

Welcome to the 2018/19 Annual Report.

The past year was another good year for the Fund, introducing new products and services and managing almost \$6 billion for our 27,000-plus members. We take that responsibility very seriously and are constantly reviewing our products, investments and services to help members make the most of their super.

As always, investments play a key role in your savings strategy. For the financial markets, the year started (and finished!) strongly. However, volatility was a key theme that continued throughout 2018/19, with US-China trade tensions and uncertainty surrounding Brexit being two of the main culprits contributing to this volatility. And while market volatility is likely to continue, always keep in mind the fact that superannuation is a long-term investment, and reactions to short-term market fluctuations are not advisable.

While this financial year was another challenging one for markets, we're happy to report that all Maritime Super's investment options delivered positive returns for 2018/19.

The Trustee regularly reviews the Fund's investment strategy, and in November we introduced the Indexed Diversified option, which is invested 70% in growth assets (Australian Shares and International Shares) and 30% in defensive assets (Fixed Interest and Cash).

In an indexed option, investments will closely match the relevant market index but they are not managed by an investment manager. We introduced this option for members who want investment growth through a diversified investment strategy but without the additional costs associated with an actively managed investment option.

Our investment strategy is focused on long-term fundamentals and diversification to deliver solid long-term returns. Remember, our financial planners are here to help you if you feel uneasy about the markets or you're unsure about your investment strategy.

For maritime workers, insurance is an important benefit that provides peace of mind. We regularly review our service contracts to ensure that members are getting the best deal; after an extensive tender process, we appointed MLC Limited as the Fund's new insurer from 1 July 2019.

MLC Limited will provide members with death, disablement and income protection cover. As a result of our new insurance arrangements, members benefit from reduced premiums for Income Protection cover, a more simplified underwriting process and online tools and resources to help members manage their insurance.

We're here for members and are committed to providing exceptional service. It's a commitment that is reflected by high ratings in member satisfaction surveys, such as the Net Promoter Score (NPS), conducted by external researchers. In fact, we're consistently rated in the top 3 super funds surveyed for member service - something we take great pride in.

We listened to you and, noting an ever-increasing demand for easier access to your super information, launched our Member App in April. We've had incredible take-up of the App and have received great feedback from members. It's all about making the most of your super on the go.

The Member App gives you secure access to your account to check your balance and contributions, manage your investments, view your insurance and so much more. You can even receive notifications or reminders for goals you set for yourself. If you haven't already downloaded this App, simply go to your phone's app store to download it.

Another success story this year has been our worksite visit program, which has exceeded all targets. This program is unique - you will not find any other super fund with such a visible presence at worksites. We realise that it's not convenient for most members to visit our office during business hours, so the purpose of this program is to travel across the country and meet with members one-on-one to deliver educational content and answer any questions about super.

Being onsite provides an extra level of support for members, and we have received very positive feedback from members, saying that 'they have been wanting to meet with us but could never find the time'. We're also very grateful to all those employers who have given our staff access to worksites.

And speaking of support, we're passionate about promoting the health and wellbeing of members, and proudly support Hunterlink Recovery Services who do such an incredible job helping members and their families through difficult times.

On behalf of the Board, management and staff at Maritime Super, thank you for your continued support. We remain committed to our goal of helping members make the very most of their super.



Paddy Crumlin
Chair

Peter Robertson
Chief Executive Officer

2018/19: the year in review



The Fund for the maritime industry

\$5.9 billion
in assets held at
30 June 2019

\$262 million
received in
contributions

27,000+
members making the
most of their super

\$71 million
rolled in to the Fund in
2018/19



Digital solutions and service

12
videos and calculators
to help you

3,300+
members have
downloaded the
Member App

249,875
visits to our website
(that's almost 21,000
visits per month!)

27,000+
interactive statements
available to
members online



Supporting our members

38,955
phone calls taken by
Member Services

1,437
members met with our
financial planners for
financial advice

234
worksite visits conducted
around Australia

163
members received
advice over the phone
from a planner

Helping you make the most of your super

At Maritime Super, every single thing we do is to help you prepare for life after work. We're the super fund for the maritime industry, and we are committed to helping members throughout their working lives and in retirement.

There are many benefits associated with Maritime Super membership - here are some:



Profit for members

As an industry fund, we're run only to benefit our members - and that's something we never lose sight of



Investment choice

Choose from a wide range of investment options to suit your circumstances - now and down the track



Strong investment performance

Our investment strategy is focused on long-term fundamentals to deliver strong consistent returns over time



24/7 access

Get easy, secure access to your super or pension account anywhere, anytime with our Member App



Quality education

We help members make the most of their super through our website, fact sheets, newsletters, worksite visits and seminars



Financial planning

Our network of financial planners located around Australia operate on a fee-for-service basis with no commissions



Free advice

We offer free advice from a financial planner over the phone regarding your contribution or investment strategy



Lifetime membership

Members can stay with the Fund even when they change jobs, leave the maritime industry or retire



Open to family & friends

Members can nominate family and friends so they can also take advantage of the benefits of membership

Making things easy for you

We get that super can be complex, so we're always looking for ways to make it easy for you.

Website

As a first port of call, visit our website, where you'll find everything you need to know about super in our publications, fact sheets, newsletters, videos and calculators.

Log in to Member Online to have your online experience personalised - you'll find campaigns, tips and information that are uniquely tailored for you!

Mobile App

Maritime Super's Member App will help you make the most of your super on the go.

Get easy, secure access anywhere, anytime to check your current balance and contributions, manage your investments, view your insurance and much more. You can even receive notifications or create reminders for financial goals you set for yourself!



We're here to help

Along your super journey, you may have questions or need help to make informed decisions and we're here to help. At any time, you can call Member Services with a question and our staff can provide you with general information or send you any material you may need.

If you'd like financial advice on your investment strategy and/or contribution strategy, you can ask a planner over the phone. The financial planner will ask you a series of questions to assess your risk profile and financial goals, so allow around 20 minutes for your phone call. If you just need a little guidance to set you on the right path, you may find this service very helpful.

For full financial advice that takes into account your personal circumstances and objectives, we have a network of financial planners across the country you can meet with. Your first appointment is a fact-find session and free of charge. Call Member Services to make an appointment or book an appointment online.

Connecting with us

We're here to help you along your super journey. There are a number of ways you can connect with us to learn more about your super and your benefits, or to simply ask us a question!

One-on-one

If you're after one-on-one contact, drop into one of our offices and chat to one of our Member Services consultants or make an appointment to meet with a financial planner.

Our seminar program provides the opportunity to learn more about the latest Fund developments and meet our management team and financial planners.

Over the phone

Member Services are on hand to answer your call and help you with any questions, no matter how big or small. We can also send you any documentation you might be after or help you find something online - whatever it is, we're here to help.

Call us on 1800 757 607.

Email

At any time you can send us an email - simply email info@maritimesuper.com.au.

Get social!

The maritime industry has a rich and colourful history, and our social media posts bring some of this history to you in the form of Salty Superstitions, Monday Motto and Trivia Time.

To stay in touch with the latest news about the Fund, check out our Facebook and Instagram pages.

Join our crew of followers - follow us on Facebook and Instagram!



www.facebook.com/maritimesuper



[instagram.com/maritime_super](https://www.instagram.com/maritime_super)

Managing your fund

Your Trustee

The Trustee is responsible for the overall operation of the Fund and ensuring that it operates within the rules of the Trust Deed and relevant Government legislation. The Trustee is committed to making decisions that are in the best interests of members.

There are ten Directors on the Trustee Board comprising:

- four member-representative Directors appointed by the Maritime Union of Australia (MUA)
- two employer-representative Directors elected by Participating Employers of the seafaring industry
- two employer-representative Directors appointed by Full Participating Employers of the stevedoring industry; and
- two independent Directors appointed by the other Directors under the Trustee company's constitution.

The Trustee Board meets every two months throughout the year. The following details the Directors on the Trustee Board as at 30 June 2019. Changes are reported on our website.

Board of Directors as at 30 June 2019

Member representatives

Paddy Crumlin (Chair)
Mick Doleman
Paul Garrett
Jamie Newlyn

Employer representatives - seafaring industry

Jeffrey Weber
Tony Wilks

Employer representatives - stevedoring industry

Sam Kaplan
Jason Varsamidis

Independent Directors

Lynelle Briggs
Norman Pack

Alternate Directors

Alternate member representatives

The MUA may appoint an alternate Director to act in place of any of the member representatives.

At 30 June 2019, the alternate member-representative Director was:

Will Tracey

Alternate employer representatives

The participating employers may appoint an alternate Director to act in place of employer representatives.

At 30 June 2019, the alternate employer-representative Directors were:

Elizabeth Buckley
David Owen
Michael Jovicic

Directors who left the Trustee Board during the 2018/19 financial year

Craig Thomson (resigned 11 April 2019)

Corporate governance

The Trustee Board is also assisted by the following Board Committees:

- Audit and Risk Committee
- Benefits Committee
- Investment Committee
- Marketing Committee
- Mergers and Alliances Committee; and
- Nominations and Remuneration Committee.

Each of these committees has its own charter of responsibilities and reports to the Trustee Board with recommendations for full Board discussion and decisions.

Fund operations

The Fund's administration, accounting, communication and financial planning services are provided by Maritime Financial Services Pty Limited (MFS), which is a wholly-owned subsidiary of the Trustee and holds an Australian Financial Services (AFS) Licence (granted by ASIC, No. 241735). As an AFS licensee, MFS has arrangements in place to ensure it complies with its licence obligations.

Professional indemnity insurance

The Trustee has taken out insurance to indemnify the Directors (and other responsible officers) from loss resulting from any claim made against the Trustee for any wrongful act of the Trustee or any other person for whose wrongful act the Trustee is legally responsible. The Directors, however, are not indemnified against fines or penalties imposed by law as a result of negligent or dishonest conduct.

Investment performance

Investment performance for accumulation accounts and pensions to 30 June 2019 are shown below. The latest investment returns are available on the Investment Performance page of our website at www.maritimesuper.com.au.

ACCUMULATION ACCOUNTS

Diversified options	1-year return pa	5-year compound average return pa	10-year compound average return pa
Growth	6.02%	8.21%	9.06%
Growth MVP	3.99%	6.57%	N/A
Balanced	5.41%	6.96%	8.26%
Indexed Diversified	N/A	N/A	N/A
Moderate	4.26%	5.89%	N/A
Conservative	4.22%	4.20%	5.75%

Sector options	1-year return pa	5-year compound average return pa	10-year compound average return pa
Australian Shares	4.42%	8.50%	N/A
International Shares	6.14%	8.82%	N/A
Cash Enhanced	1.97%	2.09%	3.14%
Cash	1.67%	1.63%	2.29%

PENSION ACCOUNTS

Diversified options	1-year return pa	5-year compound average return pa	10-year compound average return pa
Growth	6.70%	8.97%	10.14%
Growth MVP	4.45%	7.17%	N/A
Balanced	6.04%	7.58%	9.15%
Indexed Diversified	N/A	N/A	N/A
Moderate	4.75%	6.52%	N/A
Conservative	4.74%	4.58%	6.51%

Sector options	1-year return pa	5-year compound average return pa	10-year compound average return pa
Australian Shares	4.62%	9.61%	N/A
International Shares	6.65%	9.62%	N/A
Cash Enhanced	2.29%	2.39%	3.65%
Cash	1.94%	1.87%	2.66%

Notes:

- These returns are based on movements in unit prices and are net of asset-based fees and taxes.
- Where a return is marked 'N/A', it's because the option has existed for less than the relevant period.
- Past performance is not necessarily indicative of future performance.

Allocation of investment returns

Your returns come from earnings on the Fund's investments. Costs and any Government taxes are deducted from earnings and the remainder distributed to accounts through unit prices.

For all investment options other than the Fixed Term Investment option, the returns are based on movements in the value of the underlying investments (for example, shares, bonds, properties). Unit prices are calculated daily and are available at www.maritimesuper.com.au.

For the Fixed Term Investment option, the investment return is the fixed interest rate that is determined at the start of the term. Returns are added to your account at the end of the term. If you withdraw your investment before the end of the term, the Trustee will determine whether or not some interest is payable and if so, the interest will be added to your account upon withdrawal of your investment.

Please note the following exceptions for Defined Benefit members:

- only benefits in the accumulation accounts have investment earnings allocated as noted above;
- allocation of investment returns is not applicable to the defined benefit portion of a member's benefit (i.e. where the benefit is defined by formula), including the Offset account (maintained for Permanent (Defined Benefit) members of the Stevedores division).

Monitoring of investment performance

The Trustee and Investment Committee monitor the performance of the Fund's investments at three levels:

- Maritime Super investment options
- asset class; and
- investment manager.

The Trustee and Investment Committee receive monthly updates on monthly, quarterly, financial year-to-date, annual, three-yearly, five-yearly and 'since inception' investment performance, from our appointed principal investment adviser, JANA Investment Advisers.



Investments: the year in review

A solid start and finish for investment markets, with volatility a continuing story throughout the year

The financial year started strongly, and most equity markets posted positive September 2018 quarter returns, which was driven primarily by continued economic growth in the US. This was despite growing US-China trade tensions resulting from the Trump Administration's 10% tariff on a further US\$200bn worth of Chinese imports coming into effect at the end of September 2018, and China imposing retaliatory tariffs on \$60bn of US imports.

Meanwhile, the sustained economic strength in the US prompted the Federal Reserve to raise rates for a third time in 2018, as it moved closer to normalising its monetary policy.

The positive sentiment declined in the fourth quarter of 2018, with markets experiencing sharp downturns, particularly during the month of December. This was largely attributable to market concerns over rising US interest rates, and global trade tensions. This was also reflected in lower bond yields as investors sought defensive assets.

Following the weak December quarter, global risk asset rebounded strongly in the first quarter of 2019, with the turnaround largely due to the Federal Reserve reversing its policy bias in favour of a more accommodative monetary policy, which was complemented by similar moves by other central banks.

Elsewhere, uncertainty surrounding Brexit remained a heightened risk, but the delay of Brexit beyond March to October 2019 provided some respite for the UK equity market. Volatility returned briefly in May 2019 as the US increased the tariff rate from 10% to 25% and China retaliated by increasing from 5-10% to 5-25%. However, markets reacted favourably in late June to news out of the G20 Summit that trade talks were set to resume after a six-week stalemate.

In Australia, economic growth slowed to 1.8% in the year through to March 2019. Amid the softening economic conditions, the Reserve Bank of Australia (RBA) ended a 34-month pause to cut the official cash rate by 0.25% to a historic low of 1.25% in June 2019. This was done in a bid to combat weakening employment, wages and inflation. RBA governor Philip Lowe also signalled that the door would be open to further rate cuts if needed, which the RBA acted on in early July, further cutting the cash rate to 1.00%.



Investments: your options

You can choose how your super is invested by selecting from our investment options.

We recognise that everyone has different investment objectives that can change throughout their lifetime. Our investment options let you make a choice based on your investment timeframe, return expectations and the level of risk you are comfortable with.

Each of the Fund's diversified investment options has an investment strategy that determines the mix of 'growth' and 'defensive' assets and, more specifically, the asset classes (e.g. shares, property, fixed income, alternatives, private equity, cash enhanced and cash) in which they are invested. Each of the Fund's sector options invest in a single asset class.

The Fixed Term Investment provides a predetermined rate of return on investments held for a 12-month term.

Investment choice does not apply to defined benefit accounts.

Standard Risk Measure

To help members assess risk, standard risk measures have been introduced for the investment options. The Standard Risk Measure (SRM) is a simplified risk measurement tool that helps members compare the risk of negative returns for investment options, both within the Fund and between funds. Investment options are graded across seven 'risk bands' from 1 (Very Low Risk) to 7 (Very High Risk). The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be, or the potential for a positive return to be less than a member may require to reach their objectives. Furthermore, it doesn't take into account the impact of administration fees and tax on the likelihood of a negative return. Members should ensure that they are comfortable with the risks and potential losses associated with their chosen investment options.

Use of derivatives

Derivatives are investments that get their value from an underlying asset, such as bonds or shares. Investment managers may buy or sell derivatives to help manage the risks of the underlying asset and protect against, or benefit from, investment volatility.

The Fund's investment managers may use derivative instruments from time to time for limited purposes. The Trustee has adopted a Derivative Risk Statement setting out the conditions for the use of derivatives by investment managers.

The derivative transactions undertaken by the Fund's investment managers are, principally, share index futures and foreign exchange contracts.

Legitimate uses of derivatives include:

- hedging to protect the value of assets against any significant decline in investment markets
- the hedging of overseas currency exposures; and
- as a means of making tactical asset allocation adjustments while minimising transaction costs.

However, the managers are not able to use futures, options or other derivative instruments for high-risk speculative purposes.

Derivatives are used by some of the Fund's investment managers:

- currency hedging is implemented via forward exchange contracts which are classified as derivatives
- the Fund's Managed Volatility Process (MVP) employs a futures overlay to manage extreme volatility in the Moderate and Growth MVP investment option;
- the Trustee also has a 'swap' arrangement established with Goldman Sachs International as part of a strategy to invest the fixed term pension products assets.

At all times during the year, the Fund's net derivatives exposure has not exceeded 5% of the total assets of Maritime Super.

Reserving policy

No investment earnings are credited to an investment reserve for the purpose of smoothing members' investment returns.

Investment objectives, strategies and risk and return profiles

The investment objective, strategy and risk and return profile for each of the investment options including the Fixed Term Investment option as at 30 June 2019 are summarised on the following pages.

Investment options that are actively managed

Cash

This option invests 100% in defensive assets.

Investment objective

(after fees and taxes over rolling 10-year periods)

To outperform the annual rate of inflation (CPI) and perform in line with the UBS Australia Bank Bill Index (net of tax and fees).

Suitability

Most suitable for members whose most important consideration is that there is little chance of a negative return.

Minimum suggested investment timeframe

Short term

Standard Risk Measure

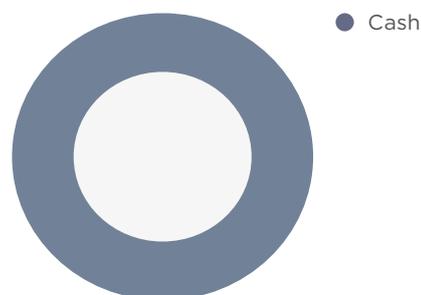
Risk Band: 1

Risk Label: Very Low

Risk versus return

This option provides long-term security but do not expect any growth over inflation. It provides the lowest risk of short-term losses among the investment options. A negative annual return is very unlikely.

Target Asset Allocation



Growth assets	Target %	Defensive assets	Target %
Australian shares	0	Defensive alternatives	0
International shares	0	Fixed interest	0
Property	0	Cash enhanced	0
Private equity	0	Cash	100
Infrastructure	0	Total Defensive assets	100
Growth alternatives	0		
Total Growth assets	0		

Cash Enhanced

This option invests 100% in defensive assets.

Investment objective

(after fees and taxes over rolling 10-year periods)

To outperform the annual rate of inflation (CPI) and the UBS Australia Bank Bill Index (net of tax and fees).

Suitability

Most suitable for members whose most important consideration is that there is little chance of a negative return or who wish to seek a small premium over the Cash option for a low level of risk.

Minimum suggested investment timeframe

Short term

Standard Risk Measure

Risk Band: 1

Risk Label: Very Low

Risk versus return

This option provides long-term security but do not expect any significant growth over inflation. It has a very low risk of short-term losses. A negative annual return is very unlikely.

Target Asset Allocation



Growth assets	Target %	Defensive assets	Target %
Australian shares	0	Defensive alternatives	0
International shares	0	Fixed interest	0
Property	0	Cash enhanced	100
Private equity	0	Cash	0
Infrastructure	0	Total Defensive assets	100
Growth alternatives	0		
Total Growth assets	0		

Conservative

This option targets to invest approximately 30% in growth assets and 70% in defensive assets.

Investment objective

(after fees and taxes over rolling 10-year periods)

To outperform the annual rate of inflation (CPI) by around 1% pa.

Suitability

Most suitable for members for whom the low to medium risk of a negative return in any one year is an important consideration.

Minimum suggested investment timeframe

Approximately five years

Standard Risk Measure

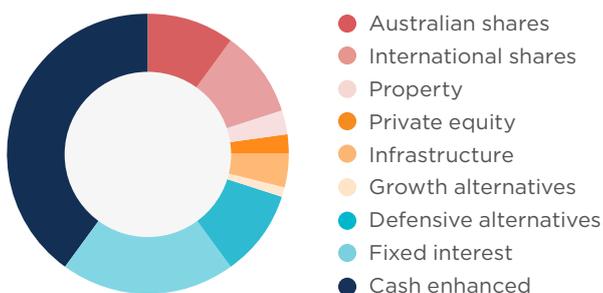
Risk Band: 3

Risk Label: Low to Medium

Risk versus return

This option provides a reasonable level of short-term security with the potential for some capital growth in the long term. It offers a lower risk of short-term losses but lower expected returns. A negative annual return is anticipated on average 1-2 times every 20 years but negative returns may be more or less frequent.

Target Asset Allocation



Growth assets	Target %	Defensive assets	Target %
Australian shares	10	Defensive alternatives	10
International shares	10	Fixed interest	20
Property	3	Cash enhanced	40
Private equity	2	Cash	0
Infrastructure	4	Total Defensive assets	70
Growth alternatives	1		
Total Growth assets	30		

Moderate

This option invests at least 95% of funds according to the target asset allocation of 70% in growth assets and 30% in defensive assets and the remainder towards the MVP approach.

Investment objective

(after fees and taxes over rolling 10-year periods)

To outperform the annual rate of inflation (CPI) by around 2.5% pa.

Suitability

Most suitable for members who are willing to accept a medium risk of a negative return in any one year.

Minimum suggested investment timeframe

Normally five years or more

Standard Risk Measure

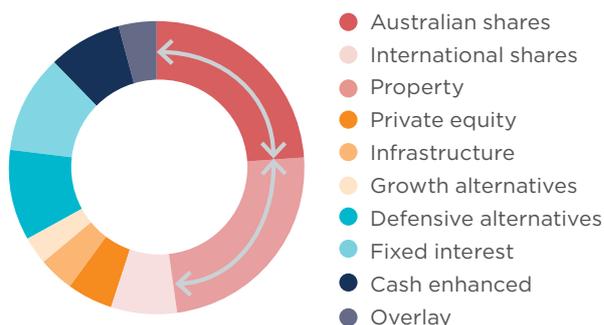
Risk Band: 4

Risk Label: Medium

Risk versus return

This option has significant emphasis on growth assets with the aim of achieving higher returns, together with some lower-risk defensive assets to reduce the short-term risks associated with growth assets and the MVP approach to manage extreme volatility. It offers a balance between expected long-term returns and the risk of a negative return in any one year. A negative annual return is anticipated on average 2-3 times every 20 years but negative returns may be more or less frequent.

Target Asset Allocation*



Growth assets	Target %	Defensive assets	Target %
Australian shares	24	Defensive alternatives	10
International shares	24	Fixed interest	11
Property	7	Cash enhanced	8
Private equity	5	Cash	0
Infrastructure	4	Overlay	4
Growth alternatives	3	Total Defensive assets	33
Total Growth assets	67		

* The target allocation reflects 4% allocated to the MVP approach through the overlay. With the MVP approach embedded into the investment strategy, asset allocations will vary from time to time based on market conditions.

Balanced

This option targets to invest approximately 70% in growth assets and 30% in defensive assets.

Investment objective

(after fees and taxes over rolling 10-year periods)

To outperform the annual rate of inflation (CPI) by around 2.75% pa.

Suitability

Most suitable for members who are willing to accept a medium to high risk of a negative return in any one year.

Minimum suggested investment timeframe

Normally five years or more

Standard Risk Measure

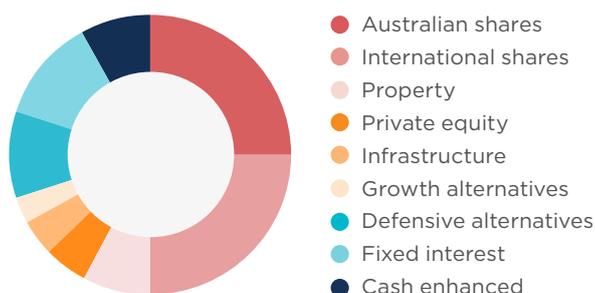
Risk Band: 5

Risk Label: Medium to High

Risk versus return

This option has significant emphasis on growth assets with the aim of achieving higher returns, together with some lower-risk defensive assets to reduce the short-term risks associated with growth assets. It offers a higher expected long-term return than the Moderate option. A negative annual return is anticipated on average 3-4 times every 20 years but negative returns may be more or less frequent.

Target Asset Allocation



Growth assets	Target %	Defensive assets	Target %
Australian shares	25	Defensive alternatives	10
International shares	25	Fixed interest	12
Property	8	Cash enhanced	8
Private equity	5	Cash	0
Infrastructure	4	Total Defensive assets	30
Growth alternatives	3		
Total Growth assets	70		

Growth

This option targets to invest approximately 90% in growth assets and 10% in defensive assets.

Investment objective

(after fees and taxes over rolling 10-year periods)

To outperform the annual rate of inflation (CPI) by around 3.5% pa.

Suitability

Most suitable for members whose most important consideration is high returns and who are willing to accept a high risk of a negative return in any one year.

Minimum suggested investment timeframe

Normally five years or more

Standard Risk Measure

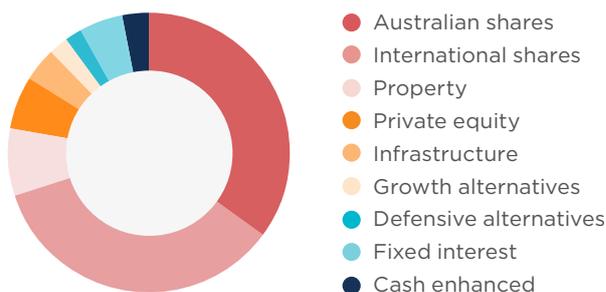
Risk Band: 6

Risk Label: High

Risk versus return

This option has a very strong emphasis on growth assets with a view to achieving higher returns and therefore carries more investment risk. The value may vary significantly up or down over the short term. However, high investment returns are generally expected over longer periods. A negative annual return is anticipated on average 4-6 times every 20 years but negative returns may be more or less frequent.

Target Asset Allocation



Growth assets	Target %	Defensive assets	Target %
Australian shares	35	Defensive alternatives	2
International shares	35	Fixed interest	5
Property	8	Cash enhanced	3
Private equity	6	Cash	0
Infrastructure	4	Total Defensive assets	10
Growth alternatives	2		
Total Growth assets	90		

Managed Volatility Process

The Managed Volatility Process (MVP) is a feature available as an add-on with the Growth option.

The MVP approach is effectively embedded into the investment strategy of the Moderate option to provide cushioning against downside risk.

Return

It incurs an additional management fee of 0.25% pa which will impact your net investment returns.

The investment return profile is also modified - returns are expected to be lower in 'up' markets but better in 'down' markets.

Risk

The MVP is designed to more actively manage risk during periods of extreme market volatility. While the chance of a negative return is similar, the magnitude of the negative return in 'down' markets is expected to be smaller.

It aims to stabilise investment volatility and still maintain strong exposure to potential growth cycles.

Target Asset Allocation

The Growth MVP targets to invest 95% of funds according to the target asset allocation of the standard option, and 5% of funds to manage short-term volatility through a futures overlay.

International Shares

This option targets to invest 100% in growth assets.

Investment objective

(after fees and taxes over rolling 10-year periods)

To outperform the annual rate of inflation (CPI) by around 3.5% pa and the MSCI World (ex Australia) benchmark* (net of tax and fees).

Suitability

Most suitable for members whose most important consideration is high returns and who are willing to accept a high risk of a negative return in any one year.

Minimum suggested investment timeframe

Normally seven years or more

Standard Risk Measure

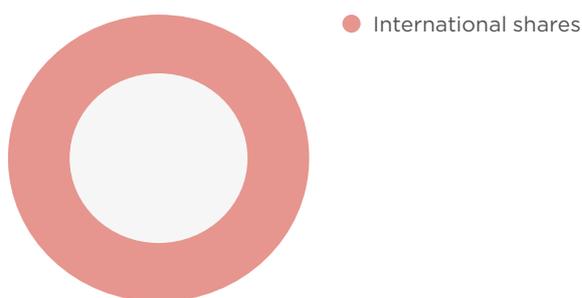
Risk Band: 6

Risk Label: High

Risk versus return

This option has complete emphasis on growth assets with a view to achieving higher returns and therefore carries more investment risk. The value may vary significantly up or down over the short term. However, high investment returns are generally expected over longer periods. A negative annual return is anticipated on average 4-6 times every 20 years but negative returns may be more or less frequent.

Target Asset Allocation



Growth assets	Target %	Defensive assets	Target %
Australian shares	0	Defensive alternatives	0
International shares	100	Fixed interest	0
Property	0	Cash enhanced	0
Private equity	0	Cash	0
Infrastructure	0	Total Defensive assets	0
Growth alternatives	0		
Total Growth assets	100		

* MSCI World Ex Australia Index - a benchmark of the top 1500 companies listed on stock exchanges all over the world (excluding Australia).



Australian Shares

This option targets to invest 100% in growth assets.

Investment objective

(after fees and taxes over rolling 10-year periods)

To outperform the annual rate of inflation (CPI) by around 4% pa and the S&P/ASX300 benchmark[^] (net of tax and fees).

Suitability

Most suitable for members whose most important consideration is high returns and who are willing to accept a high risk of a negative return in any one year.

Minimum suggested investment timeframe

Normally seven years or more

Standard Risk Measure

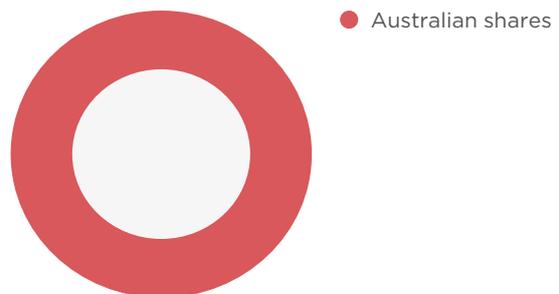
Risk Band: 7

Risk Label: Very High

Risk versus return

This option has complete emphasis on growth assets with a view to achieving higher returns and therefore carries more investment risk. The value may vary significantly up or down over the short term. However, high investment returns are generally expected over longer periods. A negative annual return is anticipated on average 6 or more times every 20 years but negative returns may be more or less frequent.

Target Asset Allocation



Growth assets		Target %	Defensive assets		Target %
Australian shares	100		Defensive alternatives	0	
International shares	0		Fixed interest	0	
Property	0		Cash enhanced	0	
Private equity	0		Cash	0	
Infrastructure	0		Total Defensive assets	0	
Growth alternatives	0				
Total Growth assets	100				

[^] S&P/ASX 300 benchmark - a benchmark of the top 300 listed companies on the Australian Securities Exchange (ASX) by market capitalisation.

Investment options that are not actively managed

Indexed Diversified

This option is indexed* and targets to invest approximately 70% in growth assets and 30% in defensive assets.

Investment objective

(after fees and taxes over rolling 10-year periods)

To closely match the weighted return of the market indices for each asset class (net of tax and fees).

Suitability

Most suitable for members who are willing to accept a high risk of a negative return in any one year.

Minimum suggested investment timeframe

Normally five years or more

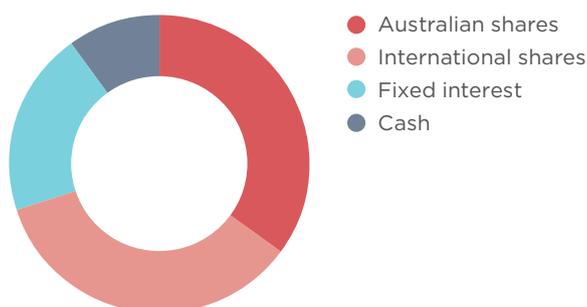
Standard Risk Measure

Risk Band: 6
Risk Label: High

Risk versus return

This option has a significant emphasis on growth assets with the aim of achieving higher returns, together with some lower-risk defensive assets to reduce the short-term risks associated with growth assets. The value may vary significantly up or down over the short term. A negative annual return is anticipated on average 4-6 times every 20 years but negative returns may be more or less frequent.

Target Asset Allocation



Growth assets		Target %	Defensive assets		Target %
Australian shares	35		Defensive alternatives	0	
International shares	35		Fixed interest	20	
Property	0		Cash enhanced	0	
Private equity	0		Cash	10	
Infrastructure	0		Total Defensive assets	30	
Growth alternatives	0				
Total Growth assets	70				

* An indexed option is not actively managed; investments match the relevant market index of the asset classes it invests in.

Fixed Term Investment

Investment objective

Provide a pre-determined rate of return on investments held for a 12-month term.

Suitability*

Most suitable for members:

- wanting the certainty of a pre-determined investment return over a short term but who are not using it as a long-term strategy to build retirement savings; and
- not wishing to withdraw the amount invested as a cash lump sum or switch to another investment option prior to the maturity date.

* This option may not suit the member's particular objectives, financial situation or needs. It has a short-term focus and, on its own, is generally not suitable as a long-term strategy for building retirement savings. It should be used on the advice of a financial planner as part of an overall investment plan tailored to the member's circumstances.

Minimum suggested investment timeframe

12 months

Standard Risk Measure

Risk Band: 1
Risk Label: Very Low

Risk versus return

Provides the short-term security of a predetermined interest rate but no capital growth.

As the interest rate is fixed for the term of the investment, investors will not be able to take advantage of any interest rate increases during the term of the investment.

There is little risk of a negative annual return or capital losses. These could only occur in the extremely unlikely event that the underlying investment manager, either an Authorised Deposit Taking Institution, or a life insurance company, fails to provide the interest rate or fails to return all of the amount invested.

Members cannot access their investment during the 12-month term other than in exceptional circumstances.

Investment advisers and managers

The Trustee has appointed JANA Investment Advisers as its principal investment adviser to provide expert advice to the Trustee and management in relation to the Fund's investments. The Trustee also appoints specialist investment consultants as needed. In particular, Quentin Ayers is contracted to provide advice in relation to particular private market investments.

The Trustee engages external investment managers with expertise in particular asset classes and across a broad range of investment styles to manage the investment of your super. The Fund's investment managers are monitored by the Trustee and Investment Committee throughout the year based on reporting by JANA Investment Advisers and the Custodian. Investment managers may be added or replaced throughout the year and a listing of our current investment managers can be provided to you on request.

The investment managers managing Maritime Super's assets at 30 June 2019 by asset class and funds under management (FUM) were:

Asset class	Investment manager	% FUM
Australian shares		23.7%
	Allan Gray Investment Management	
	Avoca Investment Management	
	Firetrail Investments	
	Hyperion Asset Management	
	Northcape Capital	
	T Rowe Price Investment Management	
	Ubique Asset Management	
International shares		26.3%
	Copper Rock Capital Partners	
	Henderson Global Investors	
	Longview Partners	
	LSV Asset Management	
	MFS Institutional Advisors	
	PanAgora Investment Management	
	Schroder Investment Management	
	T Rowe Price International	
Property		8.1%
	AMP Capital	
	Charter Hall Funds Management	
	Morgan Stanley Investment Management	
	Queensland Investment Corporation	
Private equity		7.0%
	HarbourVest Partners	
	LGT Capital Partners	
	Partners Group	
	Quentin Ayers	

Asset class	Investment manager	% FUM
Growth alternatives		2.6%
	Canyon Capital Partners	
	Cross Ocean Partners	
	EnTrustPermal Ltd	
	Haymarket Financial	
	Quentin Ayers	
Defensive alternatives		6.9%
	Bain Capital Credit	
	Bentham Asset Management	
	BlackRock Asset Management	
	Wellington Management Company	
Infrastructure		5.1%
	AMP Capital	
	Colonial First State Investments	
	Utilities Trust of Australia	
Fixed interest		4.1%
	Franklin Templeton Investments	
	PIMCO Australia	
	UBS Asset Management	
Cash enhanced		12.9%
	Henderson Global Investors	
	Macquarie Investment Management	
	Queensland Investment Corporation	
	Unity Bank	
Cash		2.8%
	Henderson Global Investors	
Fixed term products		0.2%
	Challenger Life Company	
	Goldman Sachs International	
Indexed products		0.3%
	IFM Investors	
	Vanguard Investments Australia	

Notes:

- Investments held with the following investment manager exceeded 5% of the Fund's assets at 30 June 2019:
T Rowe Price, Queensland Investment Corporation, Henderson Global Investors

Custodian

The Trustee has appointed National Australia Bank Limited as its master custodian to hold the Fund's assets.

Financials

Financial statements

To keep you informed about the financial position of your Fund, a summary of Maritime Super's audited financial accounts for the year ended 30 June 2019 is provided.

Statement of financial position	(\$'m)	(\$'m)
at 30 June	2019	2018
Total assets	5,876	5,675
Tax & other liabilities	-90	-85
Net assets available for members' benefits	5,786	5,590
Comprised of		
Members' benefits	5,617	5,436
Reserves and other net assets	169	154

The movement in members' benefits from 30 June 2018 to 30 June 2019 is shown in the table below.

Statement of change in members' benefits	(\$'m)
Total members' benefits at 30 June 2018	5,436
Contributions	267
Transfers in	71
Benefits paid	-384
Insurance premiums	-17
Tax	-30
Other transactions	-1
Investment earning allocations	275
Total members' benefits at 30 June 2019	5,617

Auditor

The 2018/19 financial accounts have been audited by Ernst & Young and their independent auditor's report has been issued.

A copy of the audited accounts for Maritime Super Pty Limited and auditor's report is available on our website or by calling Member Services on 1800 757 607.

Reserves

Maritime Super maintains an insurance reserve, operational risk reserve and a fund operating reserve.

Insurance reserve

The insurance reserve is maintained for a number of purposes relating to the operation and management of the death and total and permanent disablement benefits of the Fund. During 2018/19, it was invested in the Moderate and Cash investment options.

Financial year	Insurance reserve
2018/19	\$35.3m
2017/18	\$34.1m
2016/17	\$32.3m

Operational risk reserve

The operational risk reserve is maintained for the purpose of managing the Fund's operational risks, as prescribed by legislation.

It was isolated from the Fund operating reserve on 1 July 2013 and during 2018/19 was invested in the Growth, Moderate and Cash Enhanced investment options.

Financial year	Operational risk reserve
2018/19	\$17.6m
2017/18	\$16.8m
2016/17	\$14.8m

Fund operating reserve

The Fund operating reserve manages all the operating transactions of the Fund, including expenses and taxes.

This reserve is invested primarily through the Fund's bank accounts. The Trustee may distribute part of this reserve to members if the reserve balance is above the targeted level. Amounts shown in the tables reflect any such distributions.

Financial year	Fund operating reserve
2018/19	\$27.8m
2017/18	\$27.3m
2016/17	\$24.4m



Other fund information

Obtaining other information about the Fund

Maritime Super can provide you with any information you reasonably require to understand the financial condition or management of the Fund.

You can access any of the following documents on our website at www.maritimesuper.com.au or request a copy by calling Member Services on 1800 757 607:

- the Fund's Trust Deed
- audited accounts and the auditor's report (an abridged version of the audited annual accounts appears in the Annual Report)
- the insurance policy which applies to Fund members
- the latest Actuarial reports and any subsequent written advice by the actuary which is relevant to the overall condition of the Fund or the entitlements of members;
- Maritime Super's Privacy Policy.

You should only rely on information about the Fund from those authorised to give it. Maritime Financial Services Pty Limited's staff and financial planners are authorised to provide information about the Fund and your membership. You should not rely on information provided by anyone else as they may not be appropriately authorised, qualified or up to date on Fund rules and procedures.

Keeping your details up to date

If you've changed address or are about to, don't forget to let us know. It's as easy as making a call to Member Services on 1800 757 607. By doing so, you'll be sure to receive your Annual Statement and other important information from the Fund.

It will also help you avoid being classified as a 'lost member'. While we make reasonable efforts to find you first (for example, through phone directories and contacting your payroll office), you will be classified as a lost member if two items sent to you have been returned to us and we are unable to contact you.

Unclaimed super monies

Maritime Super is required to pay unclaimed super benefits to the ATO. We will classify your benefits as unclaimed super monies if:

- you have reached age 65
- we have not received a contribution or rollover to your account in the last two years; and
- after five years we have been unable to contact you despite reasonable efforts to do so.

We will also classify your benefits on your death as unclaimed monies if:

- we have not received a contribution or rollover to your account in the last two years; and
- we are unable to ensure that your death benefit is received by the person who is entitled to receive the benefit after making reasonable efforts and after a reasonable period of time has passed.

In some instances, the benefits of former temporary residents who have left Australia and those of the non-member spouse under a Family Law payment split will also be classified as unclaimed monies and paid to the ATO.

We will also pay lost members' accounts under \$6,000 and insoluble lost member accounts (accounts that have been inactive for 12 months where we hold insufficient details to confirm the account owner) to the ATO. Call Member Services to find out more.

If you wish to claim benefits that have become unclaimed super monies, visit the ATO's website at www.ato.gov.au/super or call them on 13 10 20.

You need to apply to the relevant state or territory body to claim any of your benefits that became unclaimed super monies before 1 July 2007. If you were a member of the Stevedoring Employees Retirement Fund (SERF), you need to apply to the NSW Office of State Revenue. If you were a member of the Seafarers Retirement Fund (SRF), you need to apply to the Victorian State Revenue Office.

Inactive low balance account

If we have not received contributions into your account for at least 16 months and your balance is less than \$6,000, we will transfer this to the ATO unless in that time you have:

- made an investment choice or switch
- changed your insurance
- made binding death benefit nomination; or
- told the ATO you do not want the balance transferred.

The ATO will endeavor to match your super with your active account.

Super Surcharge

The surcharge was an additional income-tested tax which applied between 20 August 1996 and 30 June 2005. In some instances, the ATO may request payment of an outstanding surcharge amount.

The surcharge is applied to the Surcharge Account (of a member of the Seafarers or Maritime Super division) or the Offset Account (of a Permanent (Defined Benefit) member of the Stevedores division), and is applied in reduction of any benefit paid. In the meantime, interest is applied to the Offset or Surcharge account.

Any surcharge tax paid on behalf of a member of the Stevedores division of the Fund to the ATO is deducted from the member's accumulation account(s) (with the exception of members of the Permanent (Defined Benefit) category).

Enquiries and complaints

If you have an enquiry about your super or pension, please call Member Services. The Member Services team at Maritime Financial Services Pty Limited are available to provide members with general advice at any time between 8.30am and 5.30pm (AEST) Monday to Friday on 1800 757 607.

We hope you don't have any complaints but if you do, please contact us. A phone call to Member Services is usually enough to sort out most matters. Clearly state the problem and how you would like it resolved. Your call may be recorded so there will be a record of the conversation for future reference.

If you feel we did not resolve your concerns over the phone or you are not satisfied with our response, please set out details of the problem in a letter (or a fax or email) and send it to the Complaints Officer at:

Maritime Super
Locked Bag 2001
QVB Post Office NSW 1230

The Complaints Officer will ensure that your complaint is dealt with fairly and promptly. You can expect to receive an acknowledgement of your complaint within a week and a decision within 45 days. Some complaints may take a little longer to resolve, for example, a complaint in relation to a death benefit claim. We are required to deal with all complaints within 90 days.

What if I'm not satisfied?

If an issue has not been resolved to your satisfaction, or we have taken longer than 90 days to resolve your complaint, 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.

You can contact AFCA at:

AFCA
GPO Box 3
Melbourne VIC 3001
Phone: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

Contact us



1800 757 607



info@maritimesuper.com.au



www.maritimesuper.com.au



02 9261 3683



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