ANNUAL
REPORT
2015/16

Helping you **make the most** of your super

Maritime Super
OUR FUTURE

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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 2015/16 Annual Report. We're excited about this issue of the annual report as we've developed our first ever online interactive version - be sure to go our website to view it.

In fact this financial year has been a year of 'firsts' with the launch of a number of new digital initiatives, including personalised video and online statements, three new calculators, new e-newsletter and two new social media channels – Facebook and Instagram. These new initiatives are about helping all of our members make the most of their super, and providing the appropriate support and guidance along the way.

Of course investments play a big part in your savings journey. While this financial year was a challenging one for investment markets, Maritime Super's diversified options delivered positive returns for members. Global markets continued to be heavily influenced by central bank policies over the course of the year and political factors also had notable impacts.

While short-term volatility in markets is likely to prevail going forward, we continue to remind members that superannuation is a long-term investment and it's best to stay put during periods of short-term volatility.

However we recognise that not all members feel comfortable with the ongoing ups and downs, and that's why we introduced the Managed Volatility Process (MVP) back in 2014. The MVP is designed to help members who want investment growth but have less tolerance to extreme market volatility. If you feel uneasy about investment markets or you're unsure about your investment strategy, we recommend you speak to one of our financial planners who can help you stay on course to achieve your financial goals.

The Trustee regularly reviews the investment strategy of the Fund and this year took the decision to change the investment strategy of the Moderate investment option to be more growth-oriented, in line with what is felt to be a suitable default investment strategy for the broader membership. On 1 July 2016, the investment strategy for the Moderate option, the default option, was changed to a target asset allocation of 70% in growth assets and 30% in defensive assets and to incorporate the MVP approach.

Today, we manage $5 billion in assets for around 30,000 members, with 55% of members having been with the Fund for 10 years or more. We're proud of our growth and development, and the trust that members have in Maritime Super to look after a very important asset – their super savings.

We encourage all members to take advantage of the many services on offer to you, including our seminar program and worksite visits across the country, Member Services team on the phones, online educational tools and financial planning team, to name a few benefits.

We recently introduced 'limited advice' for members – this is basically industry jargon for access to financial advice over the phone. How you invest your super, and what you contribute along the way, has a direct impact on your future savings. With free financial advice over the phone, you can call and ask a financial planner about a single issue – for example, which investment option to invest in, or how much extra salary to contribute to your super account – and they can provide you with guidance, after a series of questions to determine your risk profile and financial goals.

In our experience, it's harder to get younger members to take an active interest in their super account and benefits, so we'd love to see them getting more involved, asking questions and making financial choices for their future. It's never too late to take an interest in your super, and the sooner you start the better off you'll be! To help members assess how their savings are tracking and make super more tangible, this year we've also provided retirement income projections in annual statements for eligible members, eligibility is based on projection rules set by super law.

Throughout the year, we continued to sponsor organisations such as Hunterlink Recovery Services as we're passionate about supporting the health and wellbeing of our members and the maritime community.

We continue to look for ways to make it easy for members to access, understand and manage their super whether through new digital innovations or one-on-one support opportunities.

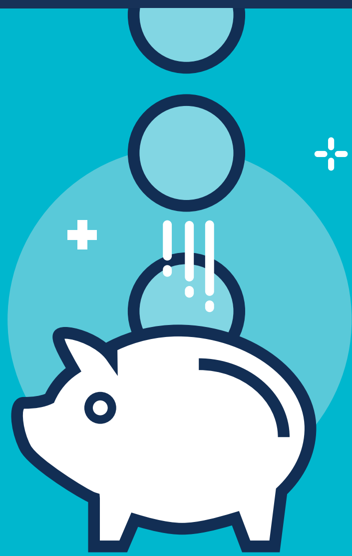
Finally, on behalf of the Board, management and staff at Maritime Super, thank you for your continued support.

Paddy Crumlin	Peter Robertson
Chair	Chief Executive Officer

2015/16
Our year in review

Improving financial outcomes

1,357
members got sound financial advice

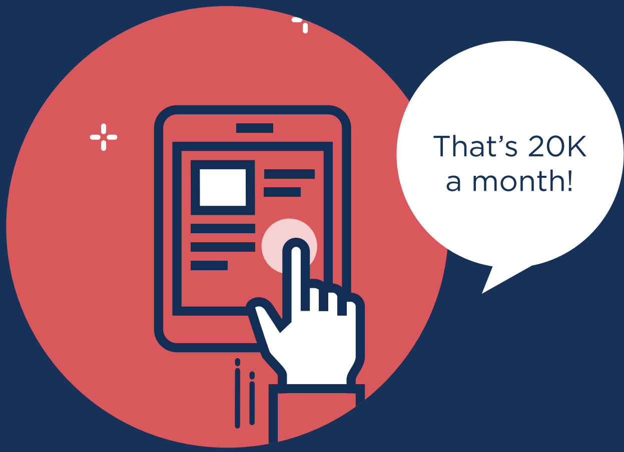


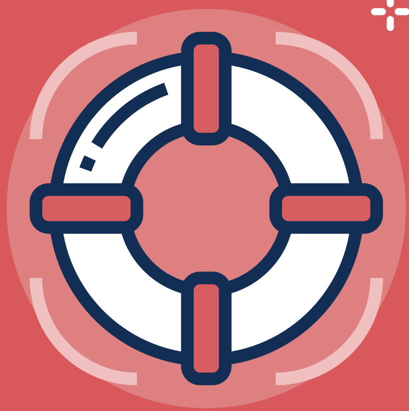
$349 million
received in contributions for and on behalf of members

Easy to understand
online
video statements

New!

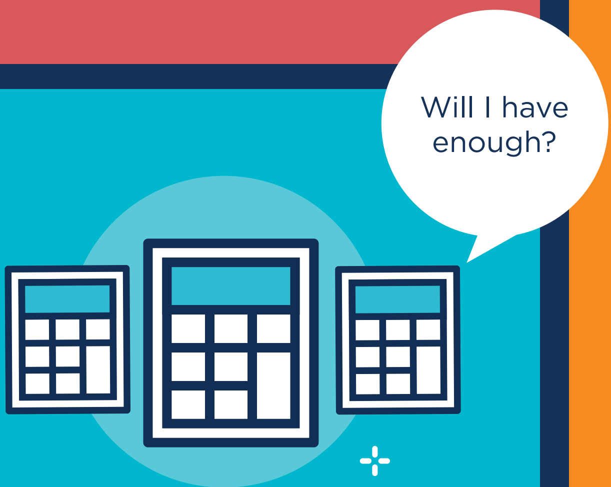
237,333
website visits





$16+ million
paid in insurance claims

44,206
Helped over the phone



3 super helpful
new calculators

$50+ million
Rolled in to Maritime Super
from almost 2,000 members

Feeling SUPER

Our members are feeling super … because our goal is to help them make the most of their super!

Hear from a few of your fellow members about their experience with Maritime Super.

It's THE super fund for the maritime industry, they get us and they look after us!

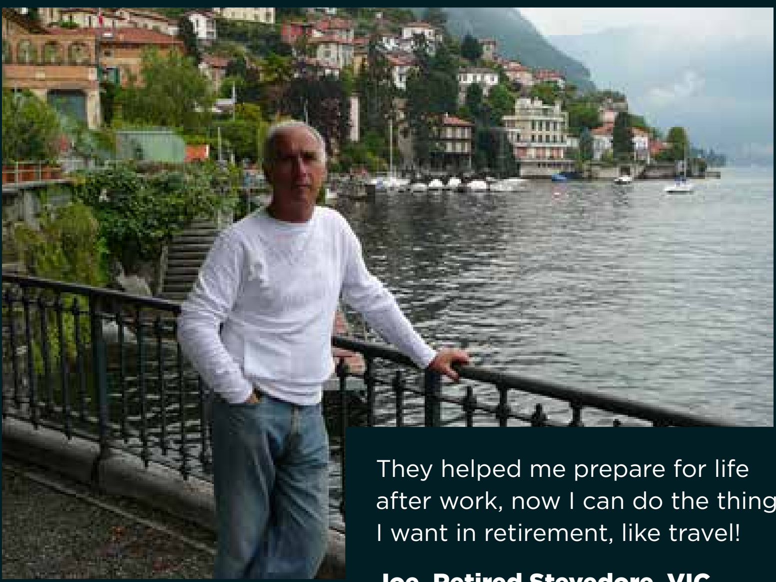
Richard, Stevedore, NSW

They're aware of the savings gap for women and take the front-foot to present me with solutions to build my super savings.

Fay, Family Member, WA

The people I've spoken to are always willing to help me and make sure I do the right thing by my super.

Patricia, Office Administrator, WA

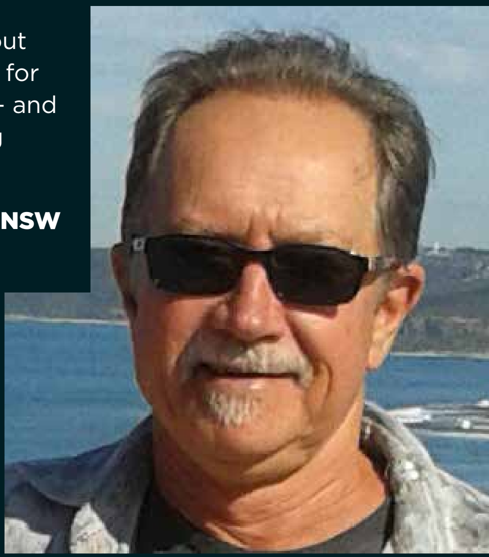


They helped me prepare for life after work, now I can do the things I want in retirement, like travel!

Joe, Retired Stevedore, VIC

I can speak to a planner who's about helping me set up for financial security – and not about pushing products at me.

Keith, Stevedore, NSW

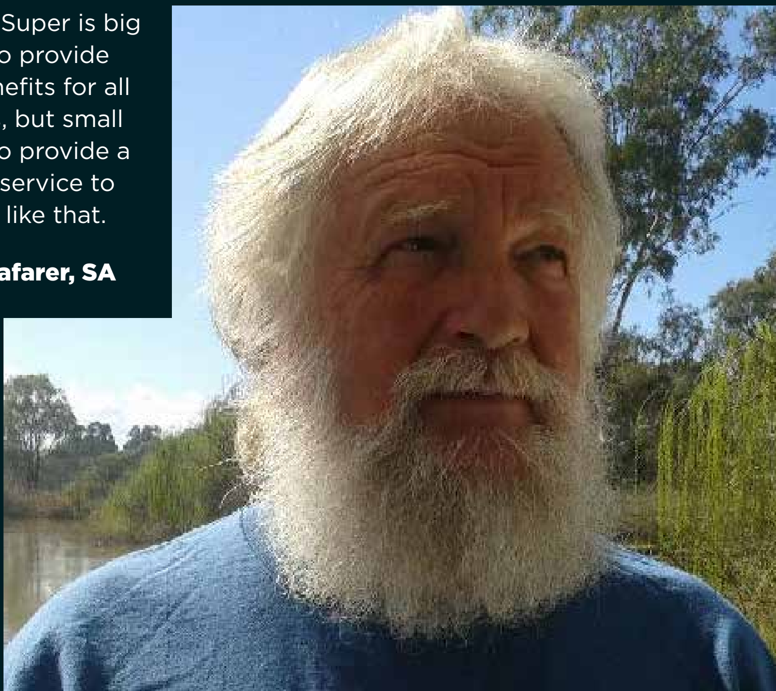


I'm sorted, thanks to good advice from my Maritime Super financial planner.

Jorma, Retired Seafarer, WA

Maritime Super is big enough to provide great benefits for all members, but small enough to provide a personal service to me, and I like that.

Andy, Seafarer, SA



Our members are the reason we're here, and we never lose sight of this

Maritime Super - **building our future together**

Maritime Super is the largest industry fund dedicated to the maritime industry. With around 30,000 members and $5 billion in assets, we're committed to building lifelong relationships with members throughout their working lives and in retirement.

Helping you make the most of your super

Our goal is to help members make the right decisions now to secure financial freedom in the future. Everything we do is about helping you make the most of your super and prepare for life after work.

Your membership benefits include:

Profit-for-members philosophy

As an industry fund, we are run only for the benefit of members. Our members are the reason we're here and we never lose sight of this.

Strong investment performance

Our investment strategy is focused on long-term fundamentals and diversification across a range of asset classes, sectors, regions and managers – delivering strong investment returns to members.

Competitive fees

Our size allows us to negotiate competitive fee arrangements otherwise not available to individual investors or self-managed funds.

Range of investment options

We offer a range of diversified and sector investment options, giving members flexibility and choice.

Quality member education

We help members make informed decisions about super through a suite of member communications, our website, fact sheets, newsletters, seminars and more.

Access to financial advice

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

Range of pension options

We offer a range of pension products, including a transition to retirement pension, an allocated pension and a fixed term pension.

Lifetime membership

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

Open to family and friends

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

EXPLORE YOUR SUPER

Get online and explore your super with two new fantastic digital tools - a new interactive statement and video snapshot providing simple, easy messages and tips to help you manage your super, and a suite of calculators showing you how small adjustments here and there make a difference to your future income.

Explore now!

Making things easy for you

We know super can be complex, so we're always looking for ways to make it easy for you to 'get it' and make the most of it.

In recent years, we've aimed to simplify our communications and provide you with access to short, easy-to-read fact sheets online as well as interactive tools like calculators and the investment performance section on our website.

We're excited to be launching a new online annual statement and personalised video for each member – allowing you to explore your benefits along with helpful tips and next steps. Make sure you log in to Member Online and check it out.

What's more, you can now also assess your insurance needs and request a quote online directly with our insurer, AIA Australia Ltd, through the new LIFEapp available in the Insurance section of the website. If you are logged into Member Online and use LIFEapp, you can apply online directly with the insurer.

Helping you prepare for life after work

In addition to education publications, seminars and resources online, we've launched three new calculators to help you prepare for life after work. You can explore how subtle changes make a difference to your future financial outcome.

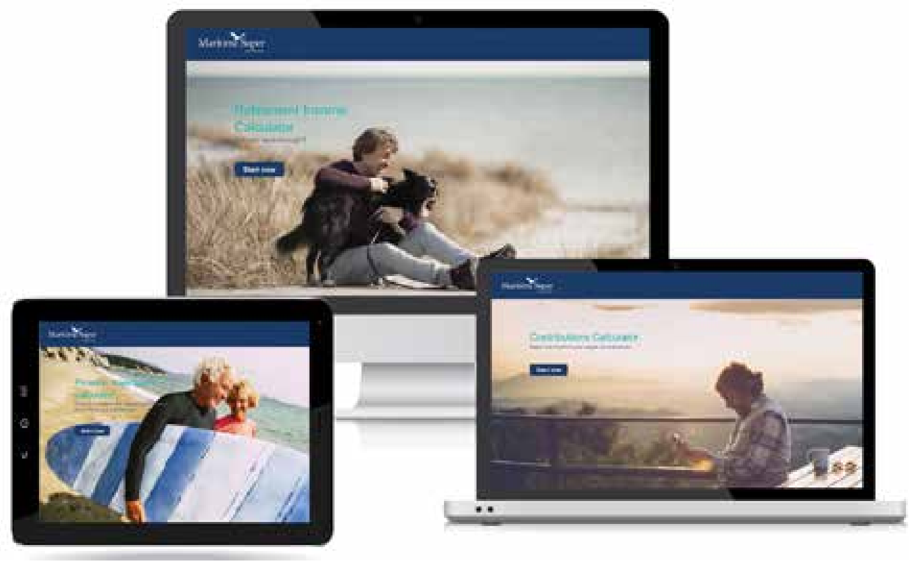
- **Retirement Calculator** – explore the level of income you can expect in retirement when you adjust certain variables like investment strategy, target income, retirement age etc and get an estimate of your surplus or shortfall in future.
- **Contributions Calculator** – explore how changes in your contribution strategy impact your future income.
- **Pension Drawdown Calculator** – explore the level of income you can expect from your super and how long it may last.

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 you. At any time, you can call Member Services on 1800 757 607 with a question and our consultants can provide you with general information or send you any material you may need.

If you'd like financial advice on either your investment strategy in the Fund and/or salary sacrifice contribution strategy, you can now 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 quick and 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. You can call Member Services on 1800 757 607 to make an appointment or send in a request 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 stay up to date with the latest developments in the Fund, 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 planner.

We also conduct our seminar program twice a year across Australia, where you can learn more about the latest Fund developments and meet our management team and financial planners.

Over the phone

We have a dedicated team, our Member Services team, to answer your call and help you with any questions, no matter how big or small your query is. It's a toll free number available Monday to Friday 8.30am – 5.30pm AEST.

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.

You can call us on 1800 757 607.

Email

At any time you can send us an email if you have a question or request, simply email info@maritimesuper.com.au.

Online

We have a wealth of information available to you online, whether it be our public website at www.maritimesuper.com.au or our secure site Member Online (via login) where you can access your personal account and make any changes you like.

You can jump online to access information to learn more about your super or explore our calculators to better understand how your savings are tracking.

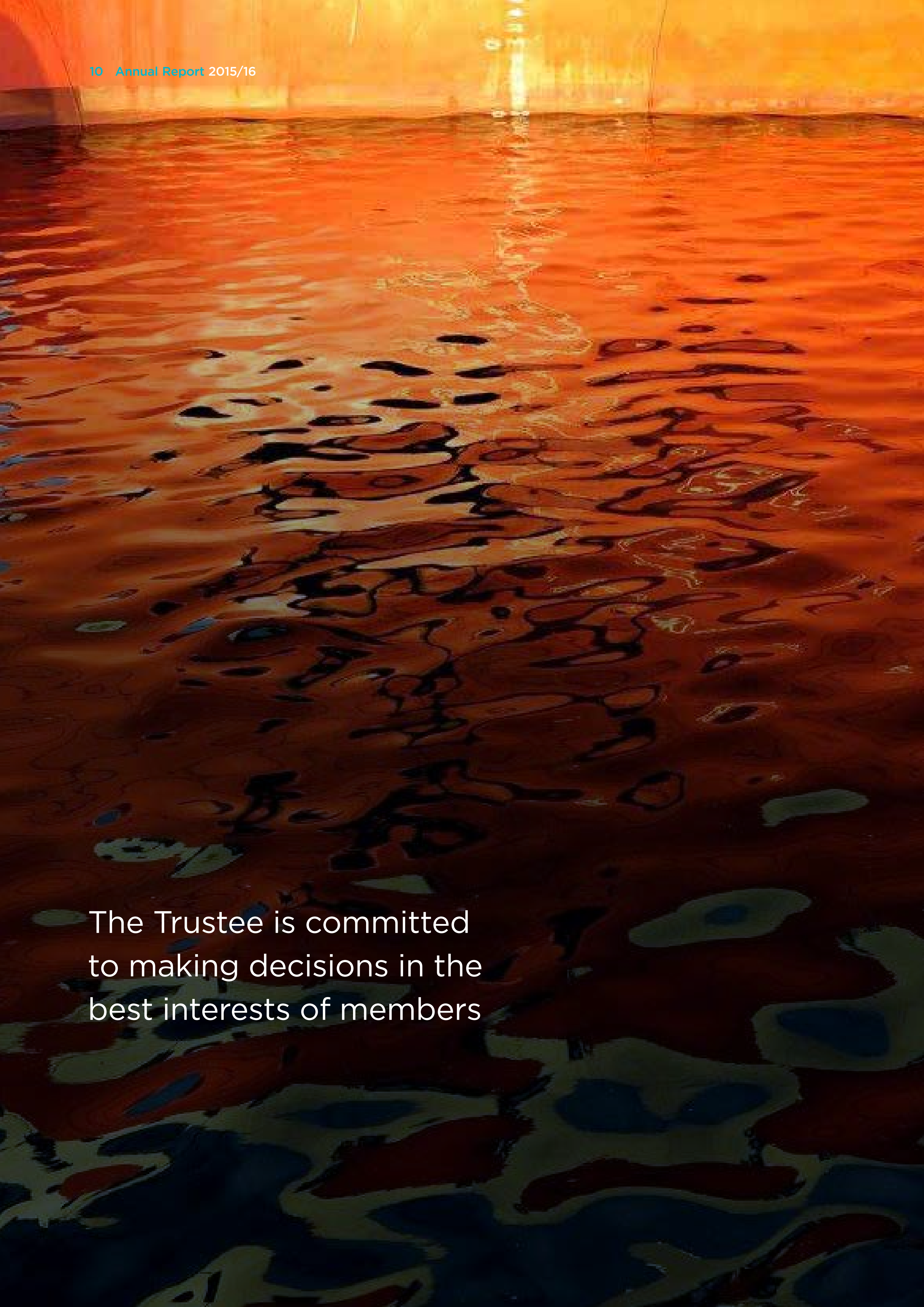
Getting social

To stay in touch with the latest news about the Fund, hear interesting facts about the maritime industry or simply enjoy fantastic maritime photos sent in by members, check out our Facebook and Instagram pages.

Join our steady group of followers - like us on Facebook and Instagram and get social with us to have some fun with your super fund!

www.facebook.com/maritimesuper

instagram.com/maritime_super



The Trustee is committed to making decisions in the best interests of members

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 2016. Changes are reported on our website.

Board of Directors as at 30 June 2016

Member representatives

Padraig Crumlin (Chair)
Michael Carr
Michael Doleman
Jamie Newlyn

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

Employer representatives - seafaring industry

Jeffrey Weber
Tony Wilks

Employer representatives - stevedoring industry

David Owen
Roger Burrows - started 30 June 2016

The participating employers may appoint an alternate Director to act in place of employer representatives. At 30 June 2016, the alternative employer-representative Directors appointed were:

Samuel Kaplan
Donald Sleath
Peter Raynor

Independent Directors

Lynelle Briggs
Norman Pack

Directors who left the Trustee Board during the 2015/16 financial year

John Watts - retired as independent director 6 May 2016

Norman Pack - resigned as employer-representative director 6 May 2016

Roger Burrows has since resigned effective 17 August 2016

Corporate governance

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

- Audit and Risk Committee
- Benefits Committee
- Investment Committee
- Marketing Committee; 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 decision.

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 2016 are shown below. The latest investment returns are available on the Investment Performance page of our website at www.maritimesuper.com.au.

Investment option	1-year return pa	5-year compound average return pa	10-year compound average return pa
Accumulation account			
Australian Shares	7.43%	N/A	N/A
International Shares	-4.68%	N/A	N/A
Growth	2.92%	8.40%	4.50%
Growth MVP	2.32%	N/A	N/A
Balanced	2.84%	7.38%	4.87%
Balanced MVP	2.42%	N/A	N/A
Moderate	2.77%	N/A	N/A
Conservative	2.65%	5.38%	4.53%
Cash Enhanced	2.02%	3.14%	3.94%
Cash	1.75%	2.38%	N/A
Pension account			
Australian Shares	8.50%	N/A	N/A
International Shares	-5.20%	N/A	N/A
Growth	2.87%	9.53%	4.92%
Growth MVP	2.19%	N/A	N/A
Balanced	2.78%	8.32%	5.30%
Balanced MVP	2.28%	N/A	N/A
Moderate	2.91%	N/A	N/A
Conservative	2.79%	6.06%	5.22%
Cash Enhanced	2.31%	3.64%	4.60%
Cash	2.00%	2.77%	N/A

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.
- The returns prior to 1 March 2009 are based on the returns of the most closely corresponding Stevedoring Employees Retirement Fund (SERF) or Seafarers Retirement Fund (SRF) investment option for the period:

  Growth → SERF Growth
  Balanced → SRF Balanced
  Conservative → SERF Capital Stable
  Cash Enhanced → SERF Capital Protected

- 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:

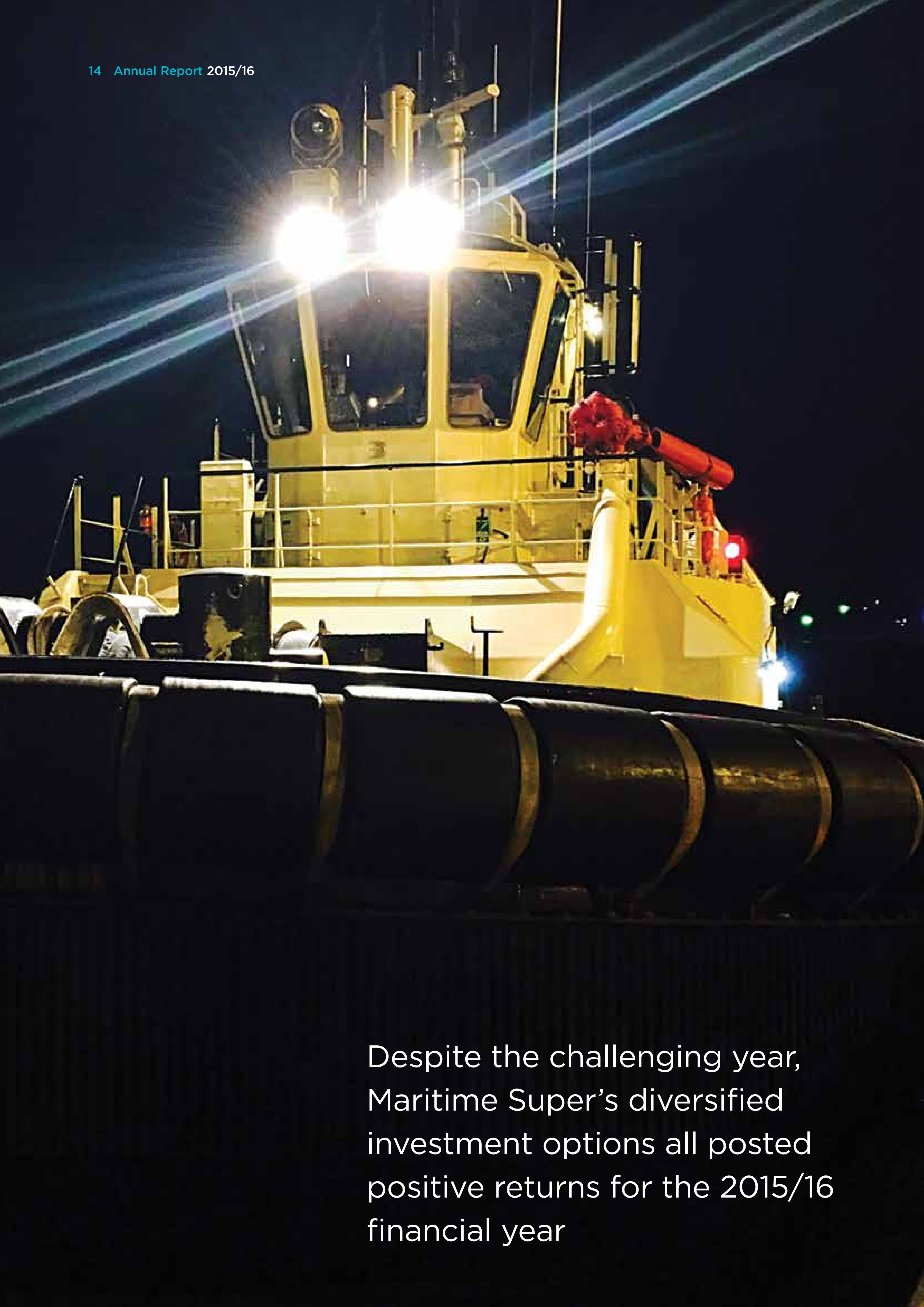
- only benefits in the accumulation accounts have investment earnings allocated as noted above;
- allocation of investment returns is not applicable to the defined benefit portion of a member's benefit (i.e. where the benefit is defined by formula), including the Offset account (maintained for Permanent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



Despite the challenging year, Maritime Super's diversified investment options all posted positive returns for the 2015/16 financial year

Investments: **the year in review**

A challenging year for investment markets

Australia's economy reported an increase in GDP from 2.1% to 3.1% year on year to 30 June 2016, although the latest CPI rate of 1.3% was below the target range of 2%-3% set by the Reserve Bank of Australia (RBA). Although the recent sharp rises in Australian property have eased somewhat this year, further stimulus is expected over the coming 12 months with close to two 0.25% interest rate cuts priced in.

Growth in the US continues to be one of the highest in the developed world and after a 0.25% interest rate rise in late 2015, further rate rises are expected.

Elsewhere in the developed economies, recent growth improvements in the Eurozone and Japan have flattened, while the UK recovery has tapered off. The European Central Bank expanded the quantitative easing programme in April from €60bn to €80bn in an attempt to reignite the economy, and the Bank of Japan also resorted to negative rates to provide stimulus and reduce the value of the yen.

Global markets continued to be heavily influenced by central bank policies over the course of the year and political factors also had notable impacts. The Brexit vote late in June saw the level of volatility in financial markets rise 49% on 24 June – its largest one-day percentage gain in nearly five years. It is likely that short-term volatility in markets driven by central bank actions and political factors will continue to be a factor going forward.

Despite the challenging year, Maritime Super's diversified investment options all posted positive returns for the 2015/16 financial year.

Australian shares

The S&P/ASX300 index returned 0.9% during the year, as it faced many of the challenges of the overseas markets. The yearly low for the market hit in February following concerns of a slowdown in China's economy and a bottoming of oil prices.

However, the recovery since then has been strong although there were pronounced differences in industry sector performances over the year. There were big falls in the Energy sector (-22%) on the back of lower oil prices, and Financials (-9%) from lower interest rates and further regulatory requirements. In contrast, Healthcare (21%), Consumer Discretionary (20%) and Utilities (24%) all performed strongly, primarily driven by the search for income return in a falling interest rate environment.

International shares

The MSCI World ex-Australia index fell 0.8% on a hedged basis (in $AUD) with unhedged returns slightly higher at 1.0% due to a slight depreciation in the Australian dollar against the US dollar.

Emerging markets continued to underperform developed benchmarks, with the MSCI Emerging Markets index falling 8.9% for the year.

The Chinese and Japanese sharemarkets returned -23.3% and -23.7% respectively while, despite the turmoil of Brexit, the European and UK equities fared better, returning -9.6% and 3.4% respectively.

Property

Australian unlisted property generated strong returns over the financial year at around 13%.

Fixed Interest

Global inflation linked bonds (9.3%) and global government bonds (9.3% hedged into AUD) provided the best returns within the Fixed Interest asset class, while Australian government bonds (7%) also performed well.

Cash

The RBA lowered the cash rate during the year. It is currently 1.5%.

Maritime Super's investment strategy

As always, Maritime Super's investment strategy remains focused on long-term fundamentals and diversifying across all asset classes, sectors, regions and markets.

If you have any questions about your investments, call 1800 757 607 to speak with a financial planner.

Investments: your options

If you have an accumulation or pension account in Maritime Super, you can choose how your account 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 benefits or fixed term pensions.

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
- two of the Fund's cash mandates are also established as a 'swap' which is classified as a derivative
- the Fund's Managed Volatility Process (MVP) employs a futures overlay to manage extreme volatility in the Moderate and Growth MVP investment options;
- 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 2016 are summarised on the following pages.

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

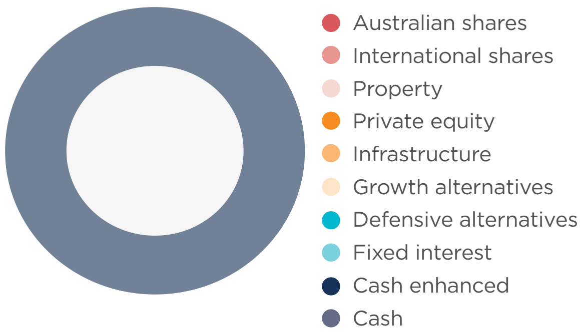
Standard Risk Measure

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 %
Australian shares	0
International shares	0
Property	0
Private equity	0
Infrastructure	0
Growth alternatives	0
Total Growth assets	**0**

Defensive assets	Target %
Defensive alternatives	0
Fixed interest	0
Cash enhanced	0
Cash	100
Total Defensive assets	**100**

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

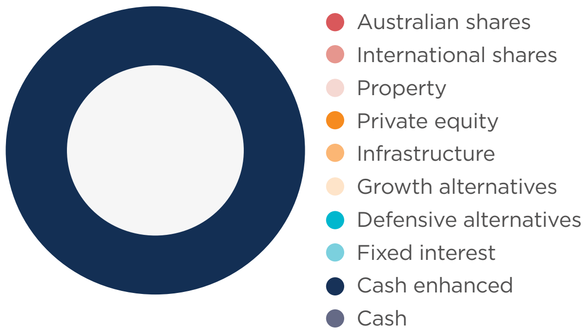
Standard Risk Measure

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 %
Australian shares	0
International shares	0
Property	0
Private equity	0
Infrastructure	0
Growth alternatives	0
Total Growth assets	**0**

Defensive assets	Target %
Defensive alternatives	0
Fixed interest	0
Cash enhanced	100
Cash	0
Total Defensive assets	**100**

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

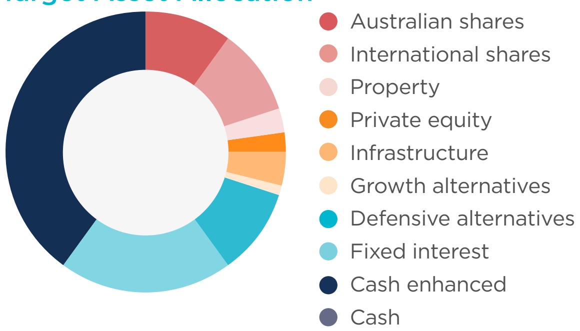
Standard Risk Measure

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 %
Australian shares	10
International shares	10
Property	3
Private equity	2
Infrastructure	4
Growth alternatives	1
Total Growth assets	**30**

Defensive assets	Target %
Defensive alternatives	10
Fixed interest	20
Cash enhanced	40
Cash	0
Total Defensive assets	**70**

Moderate

This option targets to invest approximately 50% in growth assets and 50% 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% 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

Approximately five years

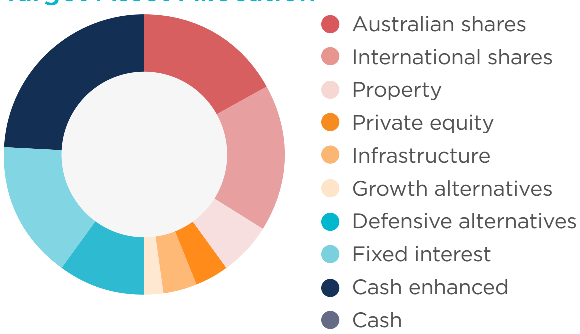
Standard Risk Measure

Risk Band: 4
Risk Label: Medium

Risk versus return

This option targets an even mix of growth and defensive assets. 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 %
Australian shares	17
International shares	17
Property	6
Private equity	4
Infrastructure	4
Growth alternatives	2
Total Growth assets	**50**

Defensive assets	Target %
Defensive alternatives	10
Fixed interest	16
Cash enhanced	24
Cash	0
Total Defensive assets	**50**

Note on 1 July 2016, the investment strategy for the Moderate option changed to be more growth oriented. For current information on the Moderate option, visit www.maritimesuper.com.au or download the Investment Supplement.

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

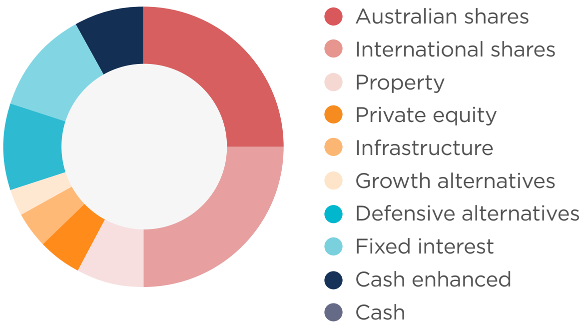
Standard Risk Measure

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 %
Australian shares	25
International shares	25
Property	8
Private equity	5
Infrastructure	4
Growth alternatives	3
Total Growth assets	**70**

Defensive assets	Target %
Defensive alternatives	10
Fixed interest	12
Cash enhanced	8
Cash	0
Total Defensive assets	**30**

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

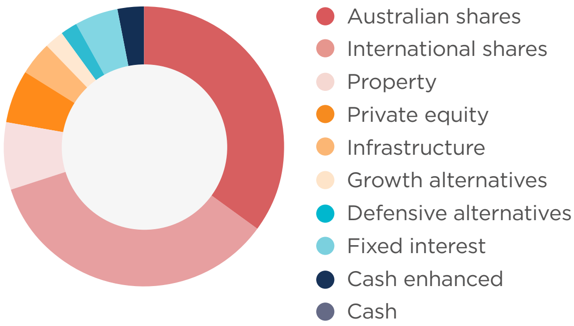
Standard Risk Measure

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 %
Australian shares	35
International shares	35
Property	8
Private equity	6
Infrastructure	4
Growth alternatives	2
Total Growth assets	**90**

Defensive assets	Target %
Defensive alternatives	2
Fixed interest	5
Cash enhanced	3
Cash	0
Total Defensive assets	**10**

Managed Volatility Process

The Managed Volatility Process (MVP) is a feature available in the Growth and Balanced options.

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.

The Balanced MVP targets are 96% and 4%, respectively.

Note from 1 July 2016, the MVP feature is not available as an add-on to the Balanced option.

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).

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

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

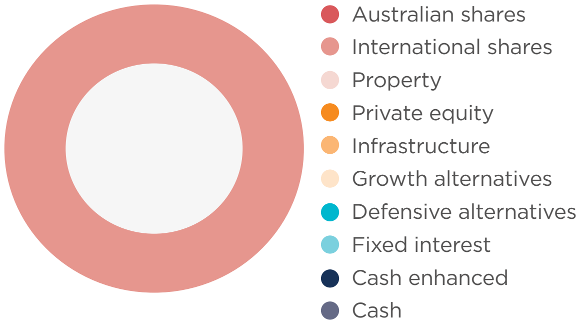
Standard Risk Measure

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 %
Australian shares	0
International shares	100
Property	0
Private equity	0
Infrastructure	0
Growth alternatives	0
Total Growth assets	**100**

Defensive assets	Target %
Defensive alternatives	0
Fixed interest	0
Cash enhanced	0
Cash	0
Total Defensive assets	**0**

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).

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

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

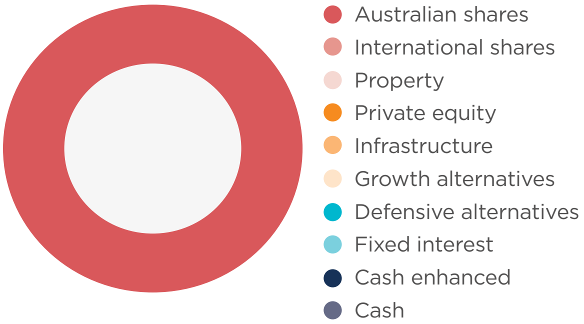
Standard Risk Measure

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 %
Australian shares	100
International shares	0
Property	0
Private equity	0
Infrastructure	0
Growth alternatives	0
Total Growth assets	**100**

Defensive assets	Target %
Defensive alternatives	0
Fixed interest	0
Cash enhanced	0
Cash	0
Total Defensive assets	**0**

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 2016 by asset class and funds under management (FUM) were:

Asset class	Investment manager	% FUM
Australian shares		22.9%
	Allan Gray Investment Management	
	Avoca Investment Management	
	Bennelong Australian Equity Partners	
	Contango Asset Management	
	Goldman Sachs Asset Management Australia	
	Hyperion Asset Management	
	Northcape Capital	
International shares		25.0%
	Copper Rock Capital Partners	
	Genesis Investment Management	
	Lazard Asset Management	
	Longview Partners	
	LSV Asset Management	
	MFS Institutional Advisors	
	PanAgora Investment Management	
	Schroder Investment Management	
	T Rowe Price	
Property		6.2%
	AMP Capital	
	Charter Hall Funds Management	
	Eureka Funds Management	
	Fiduciary Trust Company	
	Queensland Investment Corporation	
Private equity		5.6%
	Advent Private Capital	
	Archer Capital	
	Bain Capital	
	CHAMP Private Equity	
	Crescent Capital Partners	
	Industry Funds Management	
	ING Investment Management	

Asset class	Investment manager	% FUM
Private equity (continued)		
	LGT Capital Partners	
	Pacific Equity Partners	
	Pantheon Ventures	
	Partners Group	
	Quentin Ayers	
	Stafford Private Equity	
	Technology Venture Partners	
	Trust Company of the West	
	Wilshire Global Advisers	
Growth alternatives		3.7%
	Haymarket Financial	
	Quentin Ayers	
Defensive alternatives		7.4%
	Australian Mutual Capital Group	
	Bain Credit	
	BlackRock Asset Management	
	Investec Australia Investment Management	
	Wellington Management Company	
Infrastructure		4.1%
	AMP Capital	
	Colonial First State Investments	
	Hastings Fund Management	
Fixed interest		5.6%
	Franklin Templeton Investments	
	Industry Funds Management	
	Loomis, Sayles & Company	
	Pacific Investment Management Company	
	UBS Asset Management	
Cash enhanced		16.1%
	Henderson Global Investors	
	Macquarie Investment Management	
	Maritime Mining and Power Credit Union	
	National Australia Bank	
	Queensland Investment Corporation	
Cash		3.0%
	National Australia Bank	
	Perennial Investment Partners	
Fixed term products		0.4%
	Challenger Life Company	
	Goldman Sachs International	

Notes:

- Investments held with the following investment manager exceeded 5% of the Fund's assets at 30 June 2016: Queensland Investment Corporation

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 2016 is provided.

Changes in net assets		**2015/16 ($'000)**
Net assets at 30 June 2015		**4,722,422**
Plus	Member contributions	57,339
	Employer contributions	240,933
	Investment income[1]	137,688
	Transfers in	51,111
Less	Benefits paid[2]	338,521
	Administration and other costs	18,225
	Insurance premiums	24,861
	Tax	27,723
Net assets at 30 June 2016		**4,800,163**

[1] Net of investment-related fees.

[2] Benefits paid represent the total amount paid out of the Fund to members or their beneficiaries and includes transfers to other super funds. It excludes amounts that have remained in the Fund by transfer to other membership categories.

Net assets		**2015/16 ($'000)**	**2014/15 ($'000)**
Investment assets		**4,862,372**	**4,775,542**
Plus	Other net assets	4,189	4,131
	Tax assets	-	3,014
Less	Unpaid benefits and other liabilities	23,970	18,521
	Tax liabilities	42,428	41,744
Net assets at 30 June		**4,800,163**	**4,722,422**

Auditor

The 2015/16 financial accounts have been audited by Ernst & Young and their independent auditor's report has been issued.

A copy of the audited accounts and auditor's report is available 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 2015/16, it was invested in the Balanced MVP and Cash investment options.

Financial year	Insurance reserve
2015/16	$30.9m
2014/15	$34.1m
2013/14	$31.3m

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 invested in the Cash Enhanced investment option.

Financial year	Operational risk reserve
2015/16	$14.5m
2014/15	$14.2m
2013/14	$13.1m

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
2015/16	$21.5m
2014/15	$23.6m
2013/14	$21.8m

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.

Lost member accounts less than $4,000* and insoluble member accounts (accounts that have been inactive for 12 months where we hold insufficient details to confirm the account owner) are paid to the Australian Taxation Office (ATO).

Unclaimed super monies

Maritime Super is required to pay unclaimed super benefits to the ATO.

We will classify your benefits as unclaimed monies if:

- you have reached age 65
- we have not received a contribution or rollover to your account (or an accrual to your benefit if you are a defined benefit member) 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 (or an accrual to your benefit if you are a defined benefit member) 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 $4,000* 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.

* This amount will increase to $6,000 from 31 December 2016.

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 one of our Member Services team 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.

If you have used our complaints procedure and are still not satisfied, you may use the external dispute resolution process. The procedure will depend on the nature of your complaint.

If the complaint is about a Trustee decision or conduct that you think is unfair or unreasonable, you may contact the Superannuation Complaints Tribunal at:

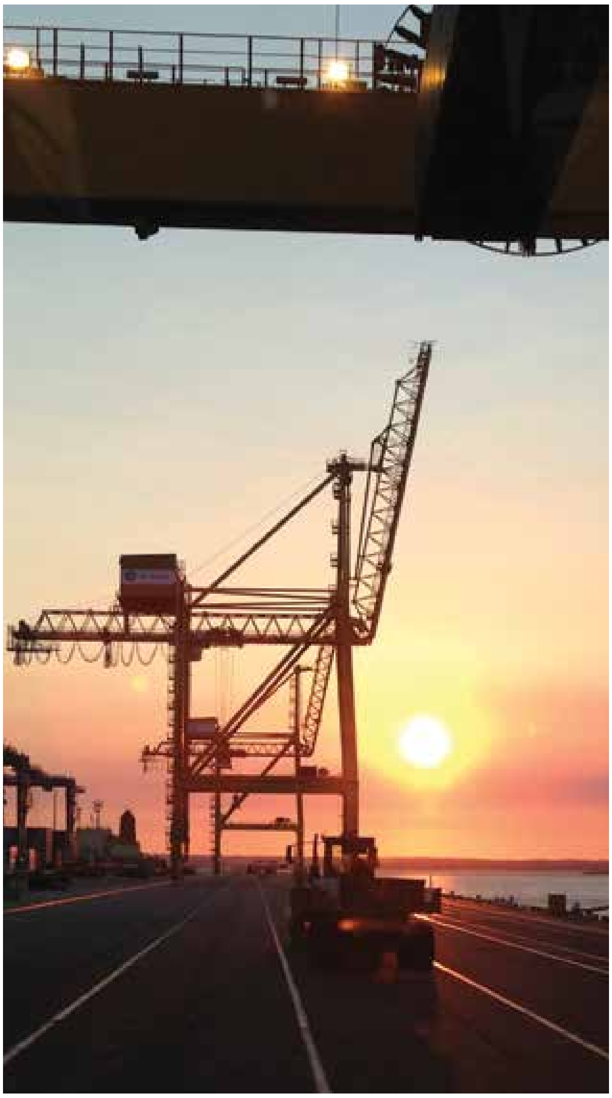
Superannuation Complaints Tribunal (SCT)
Locked Bag 3060 Melbourne VIC 3001
Phone: 1300 884 114
Email: info@sct.gov.au

The Tribunal is an independent body set up by the Government to help members and beneficiaries resolve certain types of complaints about fund trustee decisions. The SCT will not consider a complaint unless it has first been through the internal complaints procedure.

If the complaint concerns an operational matter (administration or communication) or relates to information or financial product advice you have received from us, contact Maritime Financial Services' appointed dispute resolution service at:

Financial Ombudsman Service (FOS)
GPO Box 3 Melbourne VIC 3001
Phone: 1300 367 287
Email: info@fos.org.au

FOS will only assist with your complaint if you have already been through the internal complaints procedure.



Maritime Super
OUR FUTURE

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