Maritime Super
OUR FUTURE
An Industry SuperFund

# Investments Supplement

1 December 2019

# About this Supplement

The information in this Supplement forms part of the following Product Disclosure Statements (PDSs):

## For the Maritime Super division:

- Accumulation Advantage PDS dated 1 December 2019
- Retained Benefits PDS dated 1 December 2019
- Teekay Accumulation PDS dated 1 December 2019
- Trident Accumulation PDS dated 1 December 2019

## For the Stevedores division:

- Accumulation Basic PDS dated 1 December 2019
- Accumulation Plus PDS dated 1 December 2019

## For the Seafarers division:

- AMOU Staff PDS dated 1 December 2019
- Contributory Accumulation PDS dated 1 December 2019
- CSL Super PDS dated 1 December 2019
- Inco Sub-fund PDS dated 1 December 2019
- SVITZER Accumulation PDS dated 1 December 2019

This Supplement provides you with important information about investing and our investment options. You should read the important information in the PDS, this Supplement and the other Supplements before you make a decision about the Maritime Super product relevant for you.

The information provided in this Supplement (together with the PDS and other Supplements) is general information only and doesn't take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances from a licensed or authorised financial planner.

The information in this Supplement may change from time to time. Updated information will be posted on our website www.maritimesuper.com.au. Where the change is material, an updated version will replace the relevant part of this Supplement. A copy of the most recent PDS or of the most recent version of this or any other Supplement is available free of charge from our website or by calling Member Services.
We will provide you with a copy free of charge within eight business days of your request.

**Other Supplements are available by visiting our website at www.maritimesuper.com.au>Resources> Publications>Product Disclosure Statements or by calling Member Services for a hardcopy.**

## Contents




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Maritime Super (the Fund)
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# Choosing an investment strategy for your super

Everyone's circumstances and financial goals are different. That's why Maritime Super offers a range of investment options. You can invest in one, or any combination, of the investment options – it's up to you.

## Default option

- MySuper Under 55
- MySuper 55 and Over

## Diversified investment options

- Growth^
- Balanced
- Indexed Diversified
- Moderate
- Conservative

^ The Fund offers a feature known as the 'Managed Volatility Process' (MVP), available in the Growth option - for more information, refer to page 5.

+ The Indexed Diversified option is not actively managed; it is an indexed option where investments follow the relevant market index of the asset classes.

## Sector investment options

- Australian Shares
- International Shares
- Fixed Term Investment (subject to investment terms)
- Cash Enhanced
- Cash

**To work out what investment strategy best suits your circumstances and financial goals:**

1. **Read the information in 'Understanding investing'** to learn about the fundamentals of investing and the potential risks.
2. **Consider your personal and financial goals.** Important things to think about are your investment timeframe (or how long it will be before you need to access your super) and the amount of risk you are comfortable with.
3. **Know your tolerance to risk.** People's attitude to risk varies widely. When choosing an investment strategy it's important to know how you feel about the possibility of a negative return from time to time, and to get the right balance between risk and return given your personal risk tolerance.

A licensed financial planner can work with you to choose the right investment option to suit your needs and retirement goals. Maritime Super's financial planners can help - call Member Services on 1800 757 607 to make an appointment.

Maritime Super's diversified investment options comprise a mix of defensive assets and growth assets.

The sector investment options are generally made up of a single asset category.

# Understanding investing

Before you decide on your investment strategy, it's important to understand some general investment principles including the potential risks. Below are some of the fundamentals when it comes to investments.

## Asset classes

Investments are generally divided into two groups: growth assets and defensive assets. Within each group, there are a number of different types of asset classes.

| Growth assets | |
|---|---|
| Growth assets include shares, property and private equity, as well as some alternative assets. Growth assets primarily provide capital growth with some income in the form of dividends. Growth assets generally offer the greatest potential for long-term growth but the returns can go up and down with negative returns possible from time to time. | **Australian shares**<br>An investment in Australian shares provides part ownership of a company listed on the Australian Securities Exchange. Investment returns are derived from movement in share prices resulting from company or sector performance and from dividends, which are company profits distributed to shareholders. Shares can be held directly or through a trust. A trust generally pools money from a group of investors (for example, other super funds) and uses the money to purchase a range of shares.<br>**International shares**<br>International shares are shares in a company listed on the stock exchange of another country. In addition to the factors noted above in Australian shares, international shares can be affected by movements in the currency exchange rate. Changes in value in foreign currency may increase or decrease investment returns.<br>**Property**<br>Investing in property usually involves investing in a property trust. Property trusts generally pool money from a group of investors and use the funds to buy a range of retail, commercial or industrial properties. They may be listed on the Australian Securities Exchange or unlisted.<br>**Private equity**<br>Private equity is investment in a company or enterprise that is not listed on a stock exchange. These companies often have an established track record in their field of business and require new funding to finance expansion.<br>**Infrastructure**<br>Infrastructure investments are the utilities and facilities that provide essential services and help drive economic growth. Examples of infrastructure assets include transportation assets (bridges, toll roads, airports and rail), utility and energy (water, electricity and gas), communications infrastructure (such as transmission towers) and social infrastructure (healthcare facilities and education). |
| **Defensive assets** | |
| Defensive assets include fixed interest and cash deposits as well as some alternative assets. Defensive assets often provide income with the repayment of capital on maturity. They offer less potential for long-term growth (compared to growth assets), but the returns are generally more stable. | **Fixed interest**<br>Fixed interest investments (for example, Government bonds) provide a rate of interest for a specific period of time, although the return will vary if the investment is sold before the maturity date. These securities are affected mainly by the level of interest rates as they rise or fall.<br>**Cash enhanced**<br>Cash enhanced assets include a wide range of money market and short-term fixed interest investments. Changes in the level of interest rates will affect returns.<br>**Cash**<br>Cash invests in a narrow range of short-term money market investments that aim to produce a return that closely matches the UBSA Bank Bill Index (less fees and taxes). |
| **Both Growth and Defensive assets** | |
| There is another asset class that Maritime Super invests in, which falls into both the Growth and Defensive asset groups. | **Alternatives**<br>Alternatives cover a wide range of investments that do not readily fall into any other asset class and include absolute return funds. They are often unlisted and relatively illiquid. Alternatives may be either growth-oriented or have a defensive focus. |

## Investment approaches

### Active investing

Active investing is where the strategy is to buy and sell securities, based on expectations of better-than-average performance, which means higher investment management fees, but generally provides better long-term returns net of costs.

### Passive investing

Passive investing is where the strategy is to track a market-weighted index – which means lower investment management fees. Your investment closely follows a market index based on the selected indices but is not expected to outperform the market.

## Understanding risk

### Investment risk

All investments carry a degree of risk, and risk can never be completely eliminated without giving up some potential return. Generally, asset classes that provide the greatest potential for highest long term returns are also the investments that pose the greatest short-term risks.

When it comes to investing your super, investment risks can be grouped into short-term and long-term risks:

**Short-term risks** relate mostly to factors that fuel market volatility. Volatility is the extent to which an investment increases or decreases in value over a short period of time (generally 1–5 years). Factors that impact market volatility include economic and political events in local or international markets, interest rate changes, fluctuating exchange rates and varying exposures to international markets, etc.

**Long-term risks** relate mostly to inflation and the possibility that investment returns do not keep pace or surpass the level of inflation over time. Generally this is a risk more prevalent with lower return asset classes such as cash and fixed interest investments.

### Risk and return

The relationship between risk and return is fundamental to investing. 'Investment return' is what an investment earns over time and 'investment risk' is the degree to which these returns may fluctuate over time. Generally, risk and return go hand in hand – the greater the potential return, the higher the risk.

Each of Maritime Super's investment options has a different mix of assets. The asset mix determines the risk and return profile, so the degree of risk varies between the investment options.

#### Lower-risk investment options

Investing in lower-risk investments may be suitable in the short term. However, over the long term, opportunities to maximise returns may be missed and the investment may not keep pace with inflation, so you may not meet your financial goals with this investment strategy.

#### Higher-risk investment options

Investing in higher-risk investments may generate higher returns over the longer term, but may also generate substantial negative returns from time to time. There is a danger that investing in higher-risk investment options could work against you in the short term; however, in the long term it has the potential to deliver investment growth.

### 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 (see table below). Each band is an estimate of how many negative returns are expected for each option over any 20-year period. Refer to the tables on pages 6-12 for the respective risk band of each of Maritime Super's investment options.

The SRM is based on industry guidance and 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 meet their objectives. Members should still ensure that they compare the risk and return profiles of each of the investment options with their own risk tolerance (see 'Risk tolerance' on page 4) and investment objectives when selecting an investment strategy.

| Risk band | Risk label | Estimated number of negative annual returns over any 20-year period |
|---|---|---|
| 1 | Very Low | Less than 0.5 |
| 2 | Low | 0.5 to less than 1 |
| 3 | Low to Medium | 1 to less than 2 |
| 4 | Medium | 2 to less than 3 |
| 5 | Medium to High | 3 to less than 4 |
| 6 | High | 4 to less than 6 |
| 7 | Very High | 6 or greater |

## Managing risk

### Diversification

A key to managing risk is diversification - spreading your money across a range of different asset classes or types of investments. If one asset class or investment falls in value, others that are performing well may make up for the loss or at least reduce it.

Maritime Super maintains a diverse range of investments across a broad range of asset classes, investment managers and countries to reduce your exposure to risk. As a large investor, we can achieve diversification across a wide range of investments that our members may not otherwise be able to access individually.

### 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. Examples of derivatives include futures and options.

## Investment timeframe

Your investment timeframe reflects how long you anticipate your super is going to be invested. Having sufficient time in investment markets is an important consideration in selecting investments and your investment choice. Your investment timeframe will therefore be influenced by your age and whether you're investing for the short term or long term.

### Short term

When the investment timeframe is for the shorter term (for example, less than five years), it may be more important to minimise the risk of a negative return and choose a lower risk investment strategy.

### Long term

When the investment timeframe is for the longer term (for example, more than five years), a higher-risk investment strategy may be worth considering as there is more time to ride out the ups and downs generally associated with the higher risk investments.

Over the longer term, the chances are that the number of years of higher or positive returns will outweigh the number of years with low or negative returns.

People tend to think about super being invested only up until their retirement. In reality, the average person spends at least 20 years in retirement and benefits can now be kept in super indefinitely. Therefore, it is usually not appropriate for an investment timeframe to be based on your retirement date. It's important to remember that your timeframe may be longer than you think, so you will need your savings to last the distance.

## Risk tolerance

Everyone has a different tolerance to risk. It's important to compare the risk and return profiles of each of the investment options with your own risk tolerance when deciding on an investment strategy.

The key to choosing your investment strategy is to find the balance between security and performance that you feel most comfortable with and then selecting the investment option which you think will best help you achieve your financial goals,

It is also possible that, over time, your risk tolerance or circumstances may change. It is therefore worthwhile to review your investment choice from time to time and make changes if appropriate.

### Need help?

If you don't feel confident working out your investment strategy and making decisions about your super investment, help is available.

You can call Member Services on 1800 757 607 to speak to one of the team or make an appointment with one of our financial planners.

# Our investment options

Maritime Super offers you a range of diversified and sector investment options. Each investment option has a different investment objective and risk profile.

You can invest your super in one or more of our investment options – it's entirely up to you. Before making your investment choice, it's important to consider your investment objectives, investment timeframe and personal tolerance to risk.

## Default option - for members who don't make a choice

The Fund's default option is the MySuper option and the investment strategy is based on age profile:

- MySuper Under 55
- MySuper 55 and Over

## Diversified investment options

The diversified investment options comprise a mix of defensive and growth assets and are designed to suit varying attitudes to investment. The diversified investment options are:

- Growth*
- Balanced
- Indexed Diversified+
- Moderate
- Conservative

* The Fund also offers a feature known as the 'Managed Volatility Process' (MVP), available in the Growth option. For more information, refer to Managed Volatility Process on the right.

+ The Indexed Diversified option is not actively managed; it is an indexed option where investments follow the relevant market index of the asset classes.

## Sector investment options

The sector investment options are generally made up of a single asset category. Maritime Super's sector investment options are:

- Australian Shares
- International Shares
- Fixed Term Investment (subject to investment terms^)
- Cash Enhanced
- Cash

^ The Fixed Term Investment option offers a predetermined fixed rate of return for the 12-month term.

Refer to the information on pages 6-12 to learn more about each investment option.

## Managed Volatility Process (MVP)

### What is the MVP feature?

To help members who want investment growth but have less tolerance to market volatility, the Fund offers an optional feature known as the 'Managed Volatility Process' (MVP) available in the Growth option. The MVP aims to provide a smoother investment journey during periods of *extreme* market volatility.

The underlying investments of the Growth option are still the same, but the MVP is an overlay that places more emphasis on managing volatility. The MVP is designed to more actively manage risk during periods of *extreme* market volatility.

While the MVP can reduce the impact of downside risk, it can also reduce the height of upside results. All investments carry a degree of risk, and risk can never be completely eliminated without giving up some potential return. It's important to note that the MVP is not expected to address cyclical or random drops in the markets, rather it is a process that kicks in during an *extreme* market event similar to the Global Financial Crisis.

Refer to page 9 for more information on the MVP feature offered in the Growth option.

You can choose to invest all or some of your super and/or future contributions in the Growth MVP. It's like any other option selection you make. For example, you may feel that the investment strategy of the Growth option best suits your risk/return profile, and you can invest partly in the standard Growth option and partly in the Growth MVP option (for added volatility management).

While the MVP feature is only available as an add-on with the Growth option, the MVP approach is effectively embedded into the investment strategy of the Moderate option and MySuper option 55 and Over investment strategy to provide cushioning against downside risk.

### How does the MVP affect the option's investment strategy?

The MVP targets to invest at least 95% of funds according to the target asset allocation of the standard option, and up to 5% of funds to manage extreme volatility through a futures overlay.

This investment approach means that from time to time, the effective underlying exposure to equities can be quite different and dialed-down from to the target to provide the cushioning from downside risk.

### How does the MVP impact on investment performance?

The investment strategy of the MVP aims to deliver investment returns that are less volatile in periods of extreme downturns. When markets are 'up' and doing very well, you will likely receive a comparatively lower return than the standard options. However, when markets are significantly 'down' and performing negatively, you should not experience as much of the extreme downside. Investment performance may even be better in the long term where the cushion provided in 'down' markets may offset the drag in 'up' markets.

## Default investment option - MySuper option

The MySuper investment strategy differs based on age profile

### MySuper - Under 55

**Investment objective (after fees and taxes over rolling 10-year periods)**
To outperform the annual rate of inflation (CPI) by around 2.75% pa.

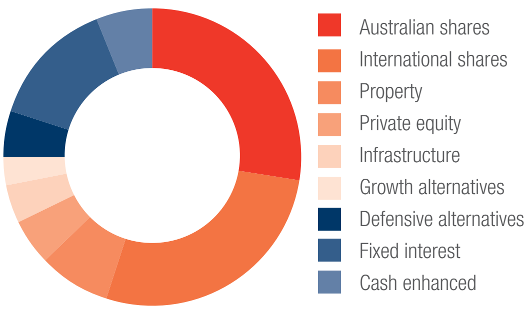
**Suitability**
Most suitable for members who are willing to accept a medium to high risk of a negative return in any one year.

**Minimum suggested investment timeframe**
Normally five years or more

**Standard Risk Measure**
Risk Band: 5
Risk Label: Medium to High

**Risk versus return**
This strategy 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* | 27.5 |
| International shares* | 27.5 |
| Property | 8 |
| Private equity | 5 |
| Infrastructure | 4 |
| Growth alternatives | 3 |
| **Total Growth assets** | **75** |

| DEFENSIVE ASSETS | Target % |
|---|---|
| Defensive alternatives | 5 |
| Fixed interest* | 14 |
| Cash enhanced* | 6 |
| Cash | 0 |
| **Total Defensive assets** | **25** |

* These asset classes are invested passively

### MySuper - 55 and Over

**Investment objective (after fees and taxes over rolling 10-year periods)**
To outperform the annual rate of inflation (CPI) by around 2.5% pa.

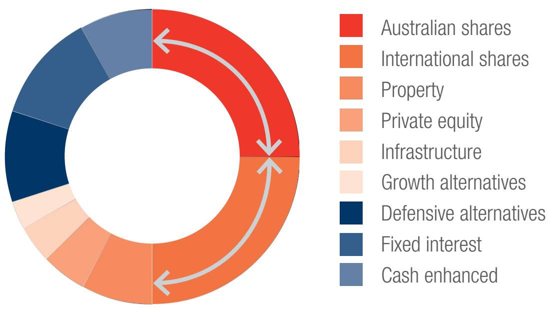
**Suitability**
Most suitable for members who are willing to accept a medium risk of a negative return in any one year.

**Minimum suggested investment timeframe**
Normally five years or more

**Standard Risk Measure**
Risk Band: 4
Risk Label: Medium

**Risk versus return**
This strategy 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 sound long-term returns and lessening the impact of extreme market downturns. A negative annual return is anticipated on average 2-3 times every 20 years but negative returns may be more or less frequent.

**Asset Allocation***
The strategy is based on the following core asset allocations:




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

| DEFENSIVE ASSETS | % |
|---|---|
| Defensive alternatives | 10 |
| Fixed interest | 12 |
| Cash enhanced | 8 |
| Cash | 0 |
| **Total Defensive assets** | **30** |

* The MVP overlay varies the allocations to Australian and International shares in response to market conditions with the aim of lessening the impact of extreme market downturns. The total shares exposure will generally be in the range of 20% - 45% and the total growth assets in range of 40% - 65%.

## Investment options that are actively managed

### Cash

**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).

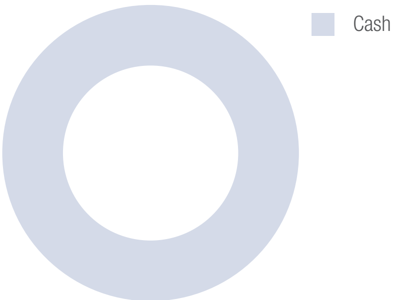
**Suitability**
Most suitable for members whose most important consideration is that there is little chance of a negative return.

**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

**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.

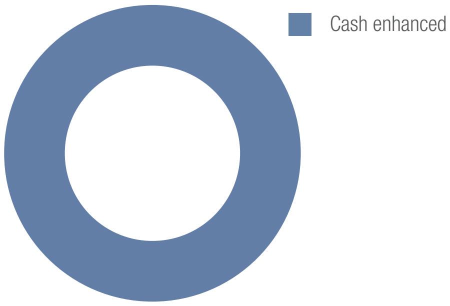
**Suitability**
Most suitable for members whose most important consideration is that there is little chance of a negative return or who wish to seek a small premium over the Cash option for a low level of risk.

**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

**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**

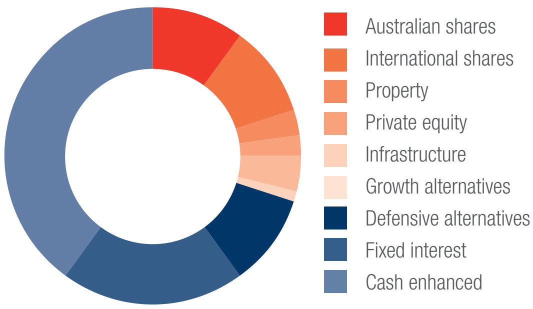
Risk Band: 3

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

**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

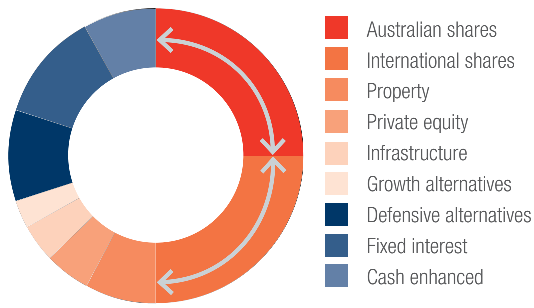
Risk Label: Medium

**Risk versus return**

This strategy 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 sound long-term returns and lessening the impact of extreme market downturns. A negative annual return is anticipated on average 2-3 times every 20 years but negative returns may be more or less frequent.

**Asset Allocation***

The strategy is based on the following core asset allocations:




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

| DEFENSIVE ASSETS | % |
|---|---|
| Defensive alternatives | 10 |
| Fixed interest | 12 |
| Cash enhanced | 8 |
| Cash | 0 |
| **Total Defensive assets** | **30** |

* The MVP overlay varies the allocations to Australian and International shares in response to market conditions with the aim of lessening the impact of extreme market downturns. The total shares exposure will generally be in the range of 20% - 45% and the total growth assets in range of 40% - 65%.

## Balanced

**Investment objective (after fees and taxes over rolling 10-year periods)**
To outperform the annual rate of inflation (CPI) by around 2.75% pa.

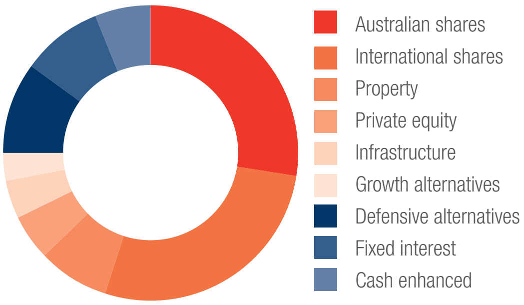
**Suitability**
Most suitable for members who are willing to accept a medium to high risk of a negative return in any one year.

**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 | 27.5 |
| International shares | 27.5 |
| Property | 8 |
| Private equity | 5 |
| Infrastructure | 4 |
| Growth alternatives | 3 |
| **Total Growth assets** | **75** |

| DEFENSIVE ASSETS | Target % |
|---|---|
| Defensive alternatives | 10 |
| Fixed interest | 9 |
| Cash enhanced | 6 |
| Cash | 0 |
| **Total Defensive assets** | **25** |

## Growth

**Investment objective (after fees and taxes over rolling 10-year periods)**
To outperform the annual rate of inflation (CPI) by around 3.5% pa.

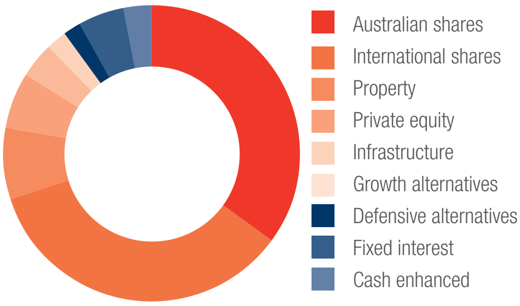
**Suitability**
Most suitable for members whose most important consideration is high returns and who are willing to accept a high risk of a negative return in any one year.

**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** |

## MVP

The Managed Volatility Process (MVP) is a feature available in the Growth option.

**Return**

The investment return profile is 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 Growth option, and 5% of funds to manage extreme volatility through a futures overlay.

**Refer to page 5 for more information on the MVP.**

## International Shares

### 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* .

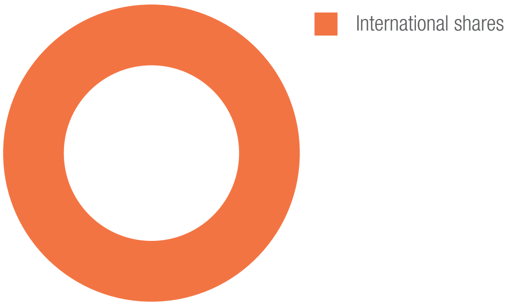
### Suitability
Most suitable for members whose most important consideration is high returns and who are willing to accept a high risk of a negative return in any one year.

### 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** |

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

## Australian Shares

### 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^.

### 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** |

^ S&P/ASX300 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

**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.

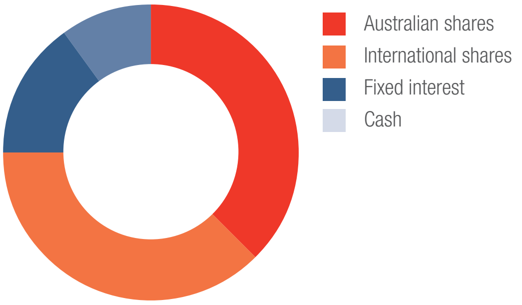
**Suitability**
Most suitable for members who are willing to accept a high risk of a negative return in any one year.

**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 % |
|---|---|
| Australian shares | 37.5 |
| International shares | 37.5 |
| Property | 0 |
| Private equity | 0 |
| Infrastructure | 0 |
| Growth alternatives | 0 |
| **Total Growth assets** | **75** |

| DEFENSIVE ASSETS | Target % |
|---|---|
| Defensive alternatives | 0 |
| Fixed interest | 15 |
| Cash enhanced | 10 |
| Cash | 0 |
| **Total Defensive assets** | **25** |

## Indexed Diversified option

### What is an Indexed option?

An indexed option is not actively managed. Investments follow the relevant market index of the asset classes it invests in. The Indexed Diversified option follows the market index for Australian Shares, International Shares, Fixed Interest and Cash.

### What is meant by a passive or indexed investment strategy?

In an indexed option, investments follow the relevant market index and are not managed by an investment manager, which is why it's referred to as a passive investment strategy.

This differs from an active investment where an investment manager selects, buys and sells securities, in line with investment objectives, which leads to a higher cost structure but generally should provide a better long-term return, net of costs.

### What type of investment return can you expect from an indexed investment?

Over the long term, the target return of the Indexed Diversified option is the weighted return of the market indices for each asset class (net of tax and fees). Investment returns are not likely to exceed or fall below the market indices of the asset classes.

### What indexes does the Indexed Diversified option follow?

S&P/ASX 200 Index (Australian Shares)

MSCI World ex-Australia Index Net in $A (International Shares)

MSCI World ex-Australia Index Net Hedged to $A (International Shares)

Bloomberg AusBond Composite 0+ Yr Index (Fixed Interest)

Bloomberg AusBond Bank Bill Index (Cash)

## Fixed Term Investment

**Investment objective**

Provide a predetermined 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.

**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 (see 'Early access prior to the end of the term') on the right.

* 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.

## Features of the Fixed Term Investment

- 12-month term
- Investment dates: 1 March, 1 June, 1 September, 1 December
- Fixed interest rate (net of fees) if the investment is held until the end of the term
- Interest rate set 2-3 weeks before the investment date
- Available for account balances, not regular contributions
- Minimum investment $20,000
- Maximum investment 80% of your account balances
- No switches to other investment options during the term
- Trustee approval generally required for withdrawals during the term
- No automatic reinvestment at the end of the term

### Early access prior to the end of the term

The predetermined interest rate will apply only if the investment is held to the end of the 12-month term. Early access before the end of the term is generally limited to situations required by super law or in exceptional circumstances (such as death, total and permanent disablement, terminal illness and to satisfy a Family Law payment split). In other circumstances, you will need to apply to the Trustee and early access to the investment may not be available.

If the Trustee approves early access to your Fixed Term Investment, your Fixed Term Investment will be redeemed in full and you are not entitled to any interest on your investment for any of the term. However, the Trustee may pay some interest, based on the circumstances at the time.

The Trustee may also redeem the whole Fixed Term Investment prior to the end of the term if your only remaining benefit is invested in this option and we need to pay premiums, the administrative fee or tax from your account.

If you have multiple Fixed Term Investments and your investment is redeemed before the end of its term, the Trustee will redeem it on a 'last in, first out' basis. However, the Trustee will not allow the purchase of a Maritime Super pension (other than following the death of the member) with the proceeds of a Fixed Term Investment during its term.

### Investment at the end of the term

There is no automatic reinvestment at the end of the term. You will need to tell us in writing what you'd like to do with the amount invested before the term comes to an end. If you don't provide reinvestment instructions, we will invest the proceeds of your Fixed Term Investment according to the proportion of your accumulation account balances invested in the options at that date or the proportion at the most recent date you have a positive balance in those accumulation accounts.

# Investment performance

## Access to investment performance

You can access the latest investment performance, including past performance, through the Investments section of the Fund's website under Investment Performance. You can explore information and past performance on each of the Fund's investment options. Our member newsletter also provides members with an update on investment markets and investment performance every quarter.

## Unit prices and investment earnings

Your account is invested in units, which means that at any given time, your super benefit is expressed as a particular number of units at a given unit price. Every contribution made to your account is converted into units on the day it is allocated to your account. The number of units you receive depends on the unit price on that day. Each investment option has its own unit price based on the value of the underlying investments of that option.

Your investment earnings are a function of the overall movements in unit prices and the units you hold on a daily basis.

All unit prices are available on the investment performance page of our website. You can see the daily movement of these unit prices and a rate of return based on this movement in unit prices.

The value of your benefit varies according to changes in the unit prices for your chosen investment option/s.

For more information on unit pricing, refer to our *Unit pricing: how it works* fact sheet available at www.maritimesuper.com.au >Resources>Publications>Fact Sheets.

**For historic and recent investment performance, as well as the latest month-to-date unit prices, go to www.maritimesuper.com.au >Investments>Investment performance.**

# Making or changing your investment choice

You can make your investment choice for your future contributions by completing the membership application form that is attached to the PDS for your membership category.

If you do not make a choice, contributions will generally be invested in the default option, which is MySuper (subject to the exceptions described in the 'Investment strategy in relation to your benefit' section on page 15).

A financial planner can help you to work out your investment timeframe and risk tolerance, and then determine an appropriate investment option to suit your needs. Call Member Services to make an appointment with a financial planner.

## Switching your investment options

You can change investment options for all or part of your existing account balance and/or your future contributions. This is known as 'investment switching'.

To provide you with flexibility and control over the investment of your super, we offer weekly investment switching free of charge.
To switch:

- **log in to Member Online** at www.maritimesuper.com.au and make your switch request online
- **complete the Investment switching form**, available at www.maritimesuper.com.au>Resources>Forms; or
- **call Member Services for help with switching** – you can have a hardcopy of the *Investment Switching form* mailed to you or be talked through an online switch.

Switches take effect on the Wednesday of each week and will only be implemented on receipt of a correctly completed *Investment switching form* before 5pm Sydney time on the preceding Sunday. The Trustee may nominate an alternative day to process a switch request and may delay or suspend switches at its discretion.

We allow a maximum of 12 switches per year per member free of charge.

Once a switch has been completed, we'll send you a letter confirming this and how much has been switched.

While the ability to switch investment options means that you are not locked into one investment strategy for a period of time, we encourage all members to consider their investment strategy carefully. It may not be a good idea to switch investment options too frequently or to try and pick the best performing options on a short-term basis. Frequent switching could result in lower returns over the longer term.

## Switching to the Fixed Term Investment

If you are already a member and wish to switch part of your account balance to the Fixed Term Investment option, complete the *Fixed Term Investment application* available from www.maritimesuper.com.au or by calling Member Services.

The Fixed Term Investment option is available only for investment of up to 80% of your Maritime Super account balances and a minimum investment of $20,000. It cannot be used for future contributions. There are four quarterly investment dates: 1 March, 1 June, 1 September and 1 December.

Switching from the Fixed Term Investment option is restricted during the 12-month term of the relevant investment. Refer to 'Early access prior to the end of the term' on page 12 for more information.

# Other important investment information

## Allocating returns

Your returns come from earnings on the Fund's investments. First, costs and any Government taxes are deducted. The remainder is distributed to members' accumulation accounts through unit prices.

For all investment options other than the Fixed Term Investment option, the returns are based on movements in the values of the underlying investments (such as shares, bonds and properties). Because financial markets can go up and down, returns can be positive or negative. Unit price rates 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 may determine whether or not some interest is payable. If payable, the interest will be added to your account upon withdrawal of your investment.

## Investment strategy in relation to your benefit

The Trustee can apply various procedures regarding the investment of your benefit under certain circumstances. You should be aware that, under the circumstances outlined below, your current investment options may not apply.

### Withdrawals

When you withdraw money, unless you specify the amount to be taken from each investment option on the relevant form, funds will be withdrawn in line with your existing investment strategy for your account.

### Death benefits

Upon receipt of a copy of a Death Certificate, we will invest the deceased member's benefits in the Cash option. Once the beneficiaries have been determined by the Trustee, they may change this investment option selection.

### Benefit splits under the Family Law Act

Benefit splits will be invested in the Cash option, unless the non-member spouse has an existing Maritime Super membership or advises another investment option.

### Membership transfers within the Fund

#### Transferring between membership categories

If you are an existing member (excluding defined benefit categories) and your benefits are moved between categories within Maritime Super, your benefits will retain their existing investment strategy unless you advise otherwise.

#### Transferring from Permanent (Defined Benefit) to Accumulation Plus

If you are a Permanent (Defined Benefit) member and you transfer to Accumulation Plus, your account will be invested in line with your existing investment strategy for your Voluntary Accumulation Account.

#### Transferring from defined benefit categories

If you are an existing defined benefit member other than Permanent (Defined Benefit), and you transfer to another membership category, your account will be invested in line with your existing investment strategy for your accumulation account(s). However, if you have no accumulation accounts, it will be invested in the MySuper option.

#### Transferring from Permanent (Defined Benefit) to Retained Benefits

If you are a Permanent (Defined Benefit) member and you transfer to the Retained Benefits division, your account will be invested in the MySuper option.

#### Transferring from a pension to Retained Benefits

If you are a pension member and you transfer to a Retained Benefits account, your account balance and future contributions will be invested in line with your existing investment strategy for your pension. If you have a Maritime Super pension which does not have an investment strategy, or you have more than one Maritime Super pension with different investment strategies, you must make an investment choice to start your Retained Benefits account.

## Future changes to our investment options

The Trustee may make changes to Maritime Super's investment options at its discretion. For example, the Trustee may decide to change the strategic asset allocation for a particular investment option, create additional options and/or remove existing options. If we make any changes to our investment options, we will inform you about the changes by letter, newsletter or on our website.

## Environmental, Social and Governance (ESG) considerations

The Trustee of Maritime Super advises that the Fund's investment options are not structured to specifically focus on labour standards or environmental, social or ethical considerations. However, the Fund has requested that investment managers do not invest in tobacco stocks.

More broadly, consideration of ESG risks are incorporated in our investment process. We require our investment advisers and investment managers to consider ESG matters as part of their investment processes. The ESG policy and processes of an investment manager is one of the items assessed as part of the Fund's due diligence process when appointing an investment manager, with minimum standards required. Investment managers are monitored in relation to their ESG practices on an ongoing basis.

For more details on our ESG policy, refer to www.maritimesuper.com.au >Investments>Approach.

Maritime Super
OUR FUTURE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