Maritime Super
OUR FUTURE

Reliance Super (a membership category of Maritime Super)

Investments Supplement

1 July 2021

About this Supplement

The information in this Supplement forms part of the Reliance Super Product Disclosure Statement (PDS) dated 5 October 2021.

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.

Terms

Where we refer to 'the Fund' in this Supplement, we mean Maritime Super. Where we refer to 'the Trustee' or 'we', 'us' or 'our' in this Supplement, we mean the Trustee of Maritime Super, Maritime Super Pty Limited.

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

Maritime Super offers a range of diversified and sector investment options, invested in the Hostplus Pooled Superannuation Trust (PST). 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.

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

The Fund's default MySuper option is the Balanced option.

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:

- Shares Plus
- Balanced*
- Socially Responsible Investment (SRI) - Balanced
- Indexed Balanced
- Conservative Balanced
- Capital Stable

Sector investment options

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

- Australian Shares
- International Shares
- Cash

* The Balanced option is also the default MySuper option for members who don't make an investment choice.

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.

Understanding investing

Before you decide on your investment strategy, it's important to understand some general investment principles including the potential risks.

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 generally provide relatively higher returns over the longer term with a corresponding higher level of risk (increased chance of a negative return and volatility). A high proportion of their returns are derived from capital growth. Examples include shares and some property investments.

Defensive assets

Defensive assets generally are lower risk (less chance of a negative return), with a corresponding expectation of lower returns over the longer term. A high proportion of their returns are derived from income (cash) flows. Examples include cash, term deposits and some fixed interest investments.

Some asset classes, such as infrastructure, property and alternatives may have growth and defensive characteristics.

Where assets such as infrastructure, property and alternatives derive a high proportion of their returns from strong income (cash) flows rather than capital growth, these assets may be classified as defensive. Where they derive a high proportion of their returns from capital growth rather than income (cash) flows these assets may be classified as growth.

Investment markets are difficult, if not impossible, to predict. Often, different asset classes will not all perform well or poorly at the same time because they react differently to influences such as economic growth, inflation, interest rates and exchange rate movements. A change which is positive for one asset class can have a negative effect on another.

Basic asset classes make up your investment portfolio

	Equity		Infrastructure
What is it?	Represents an ownership interest in a business, trust or partnership. Equity investments include shares and private equity.		Represents the basic physical systems of a country, state or region including transportation, communication, utilities, and public institutions. Infrastructure assets can also take the form of social infrastructure assets such as hospitals, schools and aged care facilities.
	Shares Represent part-ownership of a company through holding shares.	**Private equity** Private equity involves investments in entities or vehicles that are not listed on a stock exchange. They can be based in Australia and overseas.	
How does the investment work?	Because shares represent a part of the company, returns vary according to how the company performs. Returns can come in two ways – dividends paid to shareholders (revenue) and the increase in value of the shares (capital gain). Shares can also decrease in value resulting in a capital loss.	Private equity investments are usually made to finance one or more stages of a company's growth cycle, ranging from those in early stages of development to more mature businesses seeking capital. Private equity vehicles are used for many purposes including buying out the owners or founders of an existing business or asset.	
What's the risk / return?	Inflation, interest rates, exchange rates (for international shares) and changes in market conditions will all have an effect on the value of shares, as does the performance of the company itself. Shares are considered the highest risk investment because they may experience significant changes in value. Despite their short-term volatility, shares have traditionally provided higher returns to investors – over the longer term – than all other asset classes.	The private equity market is less efficient and less regulated than the listed market. This inefficiency creates opportunities for skilled managers to add value. Given the greater risk associated with private equity, a return premium of at least 4 – 5% above listed markets is generally considered necessary.	The investment objective for investing in infrastructure is typically to provide returns of inflation plus 6 – 8% per annum, but with the chance of a return that's lower than Australian and international shares, over a 5 – 10 year term.

	Property	Fixed Interest
What is it?	Represents an investment in real estate where the earnings and capital value are dependent on cash flows generated by the property through sale or rental income. The investment in property could be made either directly or via property trusts.	Represents a loan, placement or debt security. Loans are financial assets that are created when a creditor lends funds directly to a debtor and are evidenced by documents that are non-negotiable. Placements are liabilities of entities not described as authorised deposit-taking institutions, e.g. State treasuries. Debt securities are securities which represent borrowed funds which must be repaid by the issuer with defined terms including the notional amount (amount borrowed), an identifiable return and maturity/renewal date.
How does the investment work?	There are two ways that property can provide returns – by earning rental income (revenue) or by increasing in value over time (a capital gain). Property can also decrease in value resulting in a capital loss.	The investment is used to finance the operations of Governments, organisations or businesses, and is paid back on an agreed date with interest, which is also agreed or 'fixed' before the loan commences.
What's the risk / return?	Property is considered a moderate to high risk investment. Returns rely on general economic factors like inflation, interest rates and employment, as well as location and quality. While returns are generally higher than cash or fixed interest, the value of property investments is also liable to change suddenly.	Fixed interest is seen as a moderate risk investment. If interest rates change during the term of the loan, there will be capital gains or losses. Fixed interest investments are generally less volatile over the short term than property or equity.

	Cash	Other (alternatives)
What is it?	Represents cash on hand and demand deposits, as well as cash equivalents. Cash equivalents represent short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash investments may include deposits in a bank, investments in short-term money markets and other similar investments.	Almost any non-traditional investment strategy could be classified as an alternative investment. For example, hedge funds or credit investments.
How does the investment work?	Cash investments, such as your own bank account, don't necessarily earn high returns, but they are usually very stable.	Alternative investments generally aim to achieve a return objective, rather than to outperform a specific sector goal.
What's the risk / return?	Cash is considered to be the lowest-risk investment because of its limited potential to rise and fall in value over the short term. However, this perceived safety comes at a price – cash investments typically may not earn enough to meet long-term goals like retirement.	Alternatives aim to produce returns in excess of cash over the long term. However its volatility over the long term is generally higher than that of fixed interest.

Investment styles

Just as the different asset classes explain some of the different types of investments, there are many investment styles that describe how an investment is made, not just the form it takes. Here are some of the more common investment styles.

Passive

Sometimes referred to as 'index management', passive management seeks to achieve investment performance that is equal to an index or market returns (like the S&P/ASX100, for example). Passive managers achieve this by replicating the relevant index. The investment manager does not make judgements on future market movements or which investments may grow in value, so the expenses associated with passive management are generally lower than other investment styles.

Active

This is the opposite of passive management and seeks to achieve returns above an index or other set benchmark. Active managers achieve this through asset allocation and investment selection. Active management is often paired with growth or value investment styles.

Enhanced passive

This investment style is between passive and active management. It is actively managed within the benchmark stocks but the risks are also tightly controlled. Enhanced indexing is essentially risk- controlled, active management.

Growth

A growth manager seeks to achieve capital gains from investments in companies they expect will have future growth in earnings. Typically, growth managers care less about price-earnings ratio and other ways of assessing the value of an investment, but focus purely on the earnings potential of an investment.

Value

Value managers seek to buy investments that are temporarily under-priced, and to take profits when they appear overpriced. The price-earnings ratio is a key valuation measure.

Top-down

A form of analysis that begins with forecasting broad economic trends, then assessing the impact on industries and finally, on individual companies. It is the opposite of bottom-up analysis.

Bottom-up

A form of analysis that begins with forecasting returns for individual companies, then moves to industries and finally the economy as a whole. It is the opposite of top-down analysis.

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 7-11 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' in the column on the right) 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

Other risk considerations

Most risk assessments relate to the probability of negative returns; however there are other risks when investing in asset classes, like the risk your investment will not keep pace with inflation and lose value over time. Often people view defensive assets like cash and bonds as low risk and safe options, purely from the point of view of avoiding losses, however these assets also don't typically provide the investment growth that is required of a long term investment. Investing in defensive assets like cash and bonds generally deliver lower returns compared to investing in growth assets, thereby limiting investment growth over time.

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.

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 a range of diversified and sector investment options, through our investment in the Hostplus Pooled Superannuation Trust (PST). 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.

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:

- Shares Plus
- Balanced*
- Socially Responsible Investment (SRI) - Balanced
- Indexed Balanced
- Conservative Balanced
- Capital Stable

Sector investment options

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

- Australian Shares
- International Shares
- Cash

* The Balanced option is also the default MySuper option for members who don't make an investment choice.

Refer to the information on pages 7-11 to learn more about each investment option.

Understanding your investment options - terms

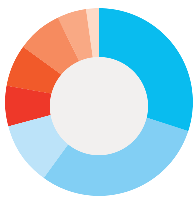
Return target	The return target outlines the net investment return we aim to achieve within the stated timeframe. Each investment option aims to achieve a certain level of return above the rate of inflation, which is measured by the Consumer Price Index (CPI). Returns cannot be guaranteed.
Standard Risk Measure	The Standard Risk Measure 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. To learn more, refer to page 5.
Level of investment risk	The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.
Likelihood of negative returns	With investments, risk and return are linked. In general, the lower the risk, the lower the expected return (or the lower the likelihood of a negative return). If you want to try for a higher possible return, you face increased risk and also expose your investments to a higher possibility of making a loss.
Minimum suggested timeframe	The Minimum suggested timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Generally, investment options with a higher level of investment risk are more suitable to be held over a longer time period.
Growth / defensive asset mix	Growth assets (such as shares) are generally higher risk and more volatile but have the potential to grow in value over time. Defensive assets (such as cash and fixed interest) are those that are generally lower risk and less volatile than growth investments. Some assets, such as property, can be defined as a mixture of growth and defensive.

Diversified investment options

	Shares Plus	Balanced (default option)
Return target	CPI plus 4.5% per annum on average over 20 years.	CPI plus 3.0% per annum on average over 10 years. CPI plus 4.0% per annum on average over 20 years.
Level of investment risk*	Very low … **High** … Very high	Very low … **Medium to high** … Very high
Likelihood of negative returns	4 to less than 6 years out of every 20 years	3 to less than 4 years out of every 20 years
Investment style	Diversified option. Contains the highest investment in assets with potential for capital growth.	Investments through diversified investment portfolio, including some growth assets and some lower risk investments.
Who is this investment suitable for?	This Option is less diversified than the Balanced Option and has a higher risk and return profile. This Option may suit members who have a five year plus investment time horizon.	This Option is diversified across a range of growth and defensive assets and aims to produce consistent returns over time. This Option may suit members who have a five year plus investment time horizon.
Minimum suggested timeframe	5 years +	5 years +

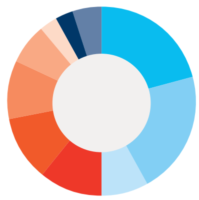
Strategic Asset Allocation

Shares Plus



	Asset class	Benchmark	Range %
Listed equities	Australian shares	30%	20–40%
	International shares – Developed markets	30%	20–40%
	International shares – Emerging markets	11%	0–15%
Unlisted assets	Property	7%	0–20%
	Infrastructure	7%	0–20%
	Private equity	8%	0–15%
	Credit	5%	0–10%
	Alternatives	2%	0–10%
Bonds & cash	Diversified fixed interest	0%	0–10%
	Cash	0%	0–10%

Balanced (default option)



	Asset class	Benchmark	Range %
Listed equities	Australian shares	21%	10–40%
	International shares – Developed markets	21%	10–40%
	International shares – Emerging markets	8%	0–15%
Unlisted assets	Property	11%	0–30%
	Infrastructure	11%	0–30%
	Private equity	10%	0–20%
	Credit	7%	0–20%
	Alternatives	3%	0–20%
Bonds & cash	Diversified fixed interest	3%	0–20%
	Cash	5%	0–15%

	Shares Plus	Balanced (default option)
Growth / defensive asset mix	89% growth / 11% defensive	76% growth / 24% defensive

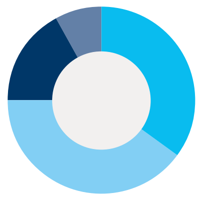
* The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period. Refer also to 'Other risk considerations' on page 5 for more information on risks to bear in mind.

	Socially Responsible Investment (SRI) – Balanced	Indexed Balanced
Return target	CPI plus 3.0% per annum on average over 20 years.	CPI plus 2.5% per annum on average over 20 years.
Level of investment risk*	Very low … High · Very high	Very low … High · Very high
Likelihood of negative returns	4 to less than 6 years out of every 20 years	4 to less than 6 years out of every 20 years
Investment style	Responsible investment option invested through diversified investment portfolio, including some growth assets and some lower risk investments. Seeks to exclude particular industries and invest in assets that contribute to sustainable outcomes.	Investments through diversified investment portfolio, including some growth assets and some lower risk investments.
Who is this investment suitable for?	This Option may suit members seeking a responsible investment option. This Option may suit members who have a five year plus investment time horizon.	This Option is diversified across a range of growth and defensive assets and aims to produce consistent returns over time. This Option may suit members who have a five year plus investment time horizon.
Minimum suggested timeframe	5 years +	5 years +
Strategic Asset Allocation	See below	See below
Growth / defensive asset mix	76% growth / 24% defensive	75% growth / 25% defensive

Strategic Asset Allocation – Socially Responsible Investment (SRI) – Balanced

	Asset class	Benchmark	Range %
Listed equities	Australian shares	25%	15–50%
Listed equities	International shares – Developed markets	30%	15–50%
Listed equities	International shares – Emerging markets	0%	0–20%
Unlisted assets	Property	10%	0–20%
Unlisted assets	Infrastructure	10%	0–20%
Unlisted assets	Private equity	10%	0–20%
Unlisted assets	Credit	0%	0–20%
Unlisted assets	Alternatives	0%	0–20%
Bonds & cash	Diversified fixed interest	10%	0–20%
Bonds & cash	Cash	5%	0–20%

Strategic Asset Allocation – Indexed Balanced



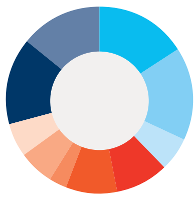
	Asset class	Benchmark	Range %
Listed equities	Australian shares	35%	25–55%
Listed equities	International shares – Developed markets	40%	25–55%
Listed equities	International shares – Emerging markets	0%	0–10%
Bonds & cash	Diversified fixed interest	17%	10–30%
Bonds & cash	Cash	8%	0–20%

* The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period. Refer also to 'Other risk considerations' on page 5 for more information on risks to bear in mind.

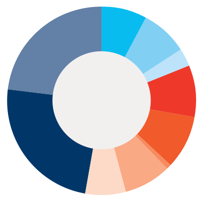
	Conservative Balanced	Capital Stable
Return target	CPI plus 3.0% per annum on average over 20 years.	CPI plus 2.0% per annum on average over 20 years.
Level of investment risk*	Very low – **Medium** – Very high	Very low – **Low to medium** – Very high
Likelihood of negative returns	2 to less than 3 years out of every 20 years	1 to less than 2 years out of every 20 years
Investment style	Contains roughly equal proportions of growth and defensive assets.	Most conservative and low-risk of the diversified investment options.
Who is this investment suitable for?	This Option is diversified across a range of growth and defensive assets, and has a lower risk return profile than the Balanced Option. This Option may suit members who have a five year plus investment time horizon.	This Option has a lower risk return profile than the Balanced Option. This Option may suit members who have a five year plus investment time horizon.
Minimum suggested timeframe	5 years +	5 years +

Strategic Asset Allocation

Conservative Balanced



Capital Stable

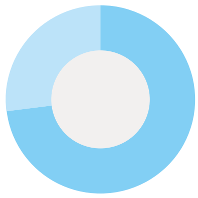


	Asset class	Conservative Balanced Benchmark	Conservative Balanced Range %	Capital Stable Benchmark	Capital Stable Range %
Listed equities	Australian shares	16%	10–30%	8%	5–20%
	International shares – Developed markets	16%	10–25%	8%	5–15%
	International shares – Emerging markets	6%	0–10%	3%	0–5%
Unlisted assets	Property	9%	0–20%	9%	0–20%
	Infrastructure	9%	0–20%	9%	0–20%
	Private equity	3%	0–10%	1%	0–5%
	Credit	6%	0–10%	8%	0–10%
	Alternatives	6%	0–20%	7%	0–20%
Bonds & cash	Diversified fixed interest	15%	10–40%	24%	10–50%
	Cash	14%	5–25%	23%	10–40%

	Conservative Balanced	Capital Stable
Growth / defensive asset mix	54% growth / 46% defensive	34% growth / 66% defensive

* The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period. Refer also to ‘Other risk considerations’ on page 5 for more information on risks to bear in mind.

Sector investment options

	Australian Shares	International Shares
Return target	CPI plus 4.5% per annum on average over 20 years.	CPI plus 4.0% per annum on average over 20 years.
Level of investment risk*	Very low … High (indicated) … Very high	Very low … High (indicated) … Very high
Likelihood of negative returns	4 to less than 6 years out of every 20 years	4 to less than 6 years out of every 20 years
Investment style	Active management	Active management
Who is this investment suitable for?	This Option is less diversified than the Balanced Option and has a higher risk and return profile. This Option may suit members who have a five year plus investment time horizon.	This Option is less diversified than the Balanced Option and has a higher risk and return profile. This Option may suit members who have a five year plus investment time horizon.
Minimum suggested timeframe	5 years +	5 years +
Strategic Asset Allocation		
Growth / defensive asset mix	100% growth / 0% defensive	100% growth / 0% defensive

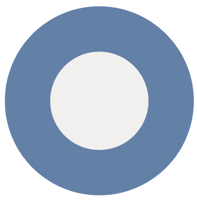
Australian Shares – Strategic Asset Allocation

	Asset class	Benchmark	Range %
Listed equities	Australian shares	100%	0–100%

International Shares – Strategic Asset Allocation

	Asset class	Benchmark	Range %
Listed equities	International shares – Developed markets	73%	0–100%
	International shares – Emerging markets	27%	0–100%

* The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period. Refer also to 'Other risk considerations' on page 5 for more information on risks to bear in mind.

	Cash
Return target	CPI plus -0.5% per annum on average over 20 years.
Level of investment risk*	**Very low** **Low to medium** **Very high**
Likelihood of negative returns	Less than 0.5 out of every 20 years
Investment style	Cash investments could include deposits in a bank, investments in short-term money markets and other similar investments.
Who is this investment suitable for?	This Option may suit members who have a short term investment horizon. It will provide security of capital but returns will typically be lower than that produced by the Balanced Option over the medium to long term.
Minimum suggested timeframe	2 years +
Strategic Asset Allocation	

	Asset class	**Benchmark**	**Range %**
Bonds & cash	Cash	100%	0–100%

Growth / defensive asset mix	0% growth / 100% defensive

* The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period. Refer also to ‘Other risk considerations’ on page 5 for more information on risks to bear in mind.

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.

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 Balanced (subject to the exceptions described in the 'Investment strategy in relation to your benefit' section on page 13).

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 daily investment switching free of charge.

You can switch between investment options daily a number of ways:

- **log in to the Member App** and make your switch request via the App
- **log in to Member Online** at and make your switch request online
- **complete the Investment switching form**, available at www.maritimesuper.com.au>Resources>Forms and return it to us; 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 are processed on every national business day. A national business day is a weekday that is not a national public holiday or the NSW Queen's Birthday public holiday. Switch requests between investment options received before 4.00pm (AEST/AEDT) are transacted at the unit prices applicable on the day your request is received, otherwise they are not considered to have been received until the following national business day.

However, the calculation of unit prices takes two national business days, and therefore these unit prices will only be available to you two national business days after receipt of your requested investment switch. For example, if you make a switch on a Monday, and each of Monday, Tuesday and Wednesday are national business days, then the unit prices used for your switch will be those relating to Monday, which can be seen on Wednesday.

In the case of multiple investment switch requests received in the same day, your latest request received will apply. Where you have made an investment switch or cash transfer request as well as a benefit payment request in the same week, the benefit payment instruction will override the investment switch or cash transfer and therefore your existing investment choice will apply. In the case of a partial benefit request, it will also override the latest investment switch or cash transfer for that partial amount.

Once a switch has been completed, we will send you a letter or email to confirm your switch.

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, 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.

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 Balanced 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 Balanced 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 arrangements and choice of options at its discretion. If we make any changes, we will inform you about the changes by letter, newsletter or on our website.

Environmental, Social and Governance (ESG) considerations

As a profit-for-member superannuation fund, Maritime Super is run only to benefit members. Our primary duty is to deliver the best retirement outcomes for our members.

Assessing and managing investment risks is an important aspect of Maritime Super's risk management framework, within Maritime Super's overall governance structures. We believe that Environmental, Social and Governance (ESG) factors may impact investment performance over the long term. Companies and other assets that soundly manage all risks are more likely to be financially sustainable over time and therefore deliver better long-term returns. Consideration of ESG risks is therefore a component of Maritime Super's investment risk management framework.

Environmental factors include climate change, energy efficiency, water scarcity, and waste treatment practices. Maritime Super recognises that climate change is a key Environmental factor and may pose both risks and opportunities for the long-term performance of members assets.

Social factors include human capital, workplace health and safety, industrial, community and stakeholder relations. Companies today must recognise that they operate under a social licence; and that engagement with their employees and with the wider community should reflect these obligations. From a financial perspective, companies that respect human and labour rights will face a lower level of Social risk and be more financially sustainable, enabling them to deliver better long term returns for members, while also providing a better outcome for society.

Governance factors are very wide ranging, including business ethics, transparency of company management and reporting, executive remuneration and board structure. The Fund places a strong emphasis and weight to proper governance. Well governed companies and assets typically face lower levels of ESG risk as a result of a strong governance culture, appropriate policies and procedures, enabling them to deliver sustainable long term returns for members.

Consideration of ESG risks is incorporated in our investment governance framework. As part of the decision to invest in the Hostplus Pooled Superannuation Trust (PST), the Trustee has reviewed the PST's Responsible Investment Policy and believes it is comprehensive, and consistent with the Fund's ESG policy. In particular, the ESG policy and processes of an investment manager is one of the items assessed as part of the PST's due diligence process when appointing an investment manager. Investment managers are monitored by the PST in relation to their ESG practices on an ongoing basis.

For all asset classes, there is a commitment to ESG integration. ESG factors are considered as part of the annual strategic asset allocation process and are taken into account in setting investment objectives.

The PST does not invest in companies involved in the development, production, maintenance or sale of controversial weapons. Further, the PST does not explicitly apply minimum labour standards in decisions about the selection, retention or realisation of investments. The Socially Responsible Investment (SRI) – Balanced Option does, however, apply a range of exclusions - refer to the information in the column on the right.

Socially Responsible Investment option

The Socially Responsible Investment (SRI) – Balanced is the dedicated socially responsible investment option that gives members access to responsible investing opportunities across a wide range of asset classes, including shares, property, fixed income, infrastructure, alternatives and cash.

Specifically, the SRI – Balanced option seeks to

Exclude investments in particular industries:

- Fossil fuels
- Companies that breach Human Rights or Labour Rights standards
- Companies with very poor ESG policies and systems
- Controversial weapons
- Uncertified palm oil
- Predatory lending
- For-profit detention
- Gambling
- Tobacco production
- Live animal export

Invest in companies and assets that contribute toward achievement of the Sustainable Development Goals (SDGs)

- Renewable energy
- Green buildings
- Healthcare and medical solutions Clean water
- Community infrastructure Alternative foods
- Green bonds

The SRI – Balanced option excludes companies that make a material amount of their revenue (currently more than 10%) from tobacco, weapons, gambling, alcohol, live-animal export or pornography. The fossil fuel exclusion for the product has recently been strengthened. As a result, the option will soon exclude all companies that mine, produce or generate energy from coal, oil and gas, as well as those that receive more than 10% of revenue from servicing these sectors.

Like our other investment options, the SRI - Balanced Option invests in unlisted assets such as private equity/venture capital as well as listed investments.

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

Maritime Super
OUR FUTURE

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