

# Investment Guide

28 October 2017



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You should consider the information in this document and the information in the PDS before making a decision about investing. The information in this document and the information in the PDS may change between the time you read it and the day you acquire the product, and updated information that is not materially adverse will be updated via our website. You'll find up to date information at **mtaasuper.com.au**. If you would like a copy of this document or any of the other important information that forms part of this PDS, call us on **1300 362 415**.

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This Guide explains the investment options offered by MTAA Super and the risks associated with investments. It also provides information about our investment approach and the asset classes in which we invest.

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# Your investment options at a glance

Everyone's needs are different. That's why MTAA Super lets you choose how your super is invested. You can invest in one or a mix of our eight investment options. Each option has a different investment strategy and varying levels of risk and expected return.

## MTAA Super's investment options

Pre-mixed options	Asset Class options
Conservative	Cash
Income-Focussed	Diversified Fixed Interest
My AutoSuper (Balanced)	Australian Shares
Growth	International Shares

Our Pre-mixed options invest in a range of asset classes while the Asset Class options invest in a single asset class. You can read about the different asset classes in 'Key investment terms explained' on page 6.

If you don't make a choice when you join, you'll automatically be invested in the My AutoSuper (Balanced) option, our MySuper authorised product.

Whatever investment option/s you choose, you're not locked in. You can change where your super is invested and where your future contributions will be invested (see 'Changing your investment choice' on page 16).

Before you make any investment decisions, make sure you read the information in this Guide to help you understand MTAA Super's investment options, our investment approach and the risks associated with investing.



# How we invest your money

MTAA Super aims to maximise our members' returns during their working life and in retirement while protecting their accumulated retirement savings from large fluctuations. We also aim to deliver solid returns with an acceptable level of risk.

## Our investment strategy

Our investment strategy is to build a diversified portfolio of assets that balances investment returns and risks. We achieve this by investing in a combination of **growth assets** and **defensive assets**.

The growth assets we invest in include shares, infrastructure and property. The returns from growth assets come mainly from capital gains and income in the form of dividends. Growth assets generally offer the greatest potential for long-term growth, but the returns can fluctuate and returns may be negative from time to time.

The defensive assets we invest in include fixed interest and cash. The returns on defensive assets are mainly from interest. Defensive assets generally offer less potential for long-term growth than growth assets but returns are generally more stable and have a relatively low level of risk. Cash returns are nearly always positive but negative returns are possible in the case of fixed interest.

MTAA Super also invests in a number of 'alternative' investments or asset classes such as private equity, alternatives credit, property and infrastructure. These investments are less frequently traded than some other assets classes (such as shares, for example) and can be in both domestic and international markets. Assets such as property and infrastructure assets, can have long term leases and are not directly linked to share markets. As such, they provide income streams to the Fund and provide a buffer against the short-term fluctuations of share markets.

## Asset allocation

MTAA Super's Pre-mixed options are Conservative, Income-Focussed, My AutoSuper (Balanced) and Growth. These options invest in a range of different asset classes. With the Pre-mixed options, the asset allocation is constructed with the aim of achieving the option's specific investment return objective.

In comparison, each of the Asset Class options invests in one asset class only. The name describes the single asset class for the option: Cash, Diversified Fixed Interest, Australian Shares and International Shares.

The Trustee sets medium to long-term risk and return targets for each of the Fund's investment options, then sets a Strategic Asset Allocation (SAA) for each option with the aim of achieving the option's investment return objective.

The investment objective and SAA for each investment option is set out in 'Your investment options' starting on page 10. The SAA and ranges are reviewed by the Trustee from time to time.

For the Pre-mixed investment options, the Trustee may adjust the asset allocation and make portfolio adjustments within the SAA ranges. This allows the Trustee some flexibility to adopt tactical asset allocations in response to market movements.

From time to time the actual asset allocations may differ from the SAA for the Pre-mixed options due to market fluctuations, new investment opportunities and irregular cash flow levels. Differences may also result from tactical moves (within the SAA ranges) to position the portfolio for current market conditions.

For example, if the share market falls, the proportion allocated to shares in the Pre-mixed options may decrease and the allocation to other assets classes in the options may increase.

While the Trustee seeks to ensure that variations between the actual and strategic asset allocations of all investment options are managed within the ranges as outlined, in times of extreme market volatility the actual and strategic asset allocations can differ significantly.

The actual asset allocation figures for all investment options are updated monthly. To view the asset allocations for our investment options, visit [mtaasuper.com.au/investment-options](https://mtaasuper.com.au/investment-options)

# Key investment terms explained

To help you decide which of our investment options may be right for you, it's important to understand some key investment terms.

## Understanding asset classes

MTAA Super invests across all major asset classes. An asset class is a grouping of similar financial/physical assets.

All asset classes have different levels of risk and expected return. The key assets MTAA Super currently invests in include shares, fixed interest, cash, property and infrastructure. These asset classes can be further broken down to include Australian and International shares, unlisted shares and private equity, Australian or international fixed interest and global floating rate credit, direct or indirect property investments, and domestic and international infrastructure.

### **Shares**

Shares, also known as equities, represent ownership of a company. They generally provide returns as dividends (income) and offer the potential for gains (or losses) through changes in their price on the share market. In the long term, shares are expected to provide higher returns than cash, fixed interest or property, but there is a higher level of risk which can result in negative returns from time to time.

### **Infrastructure**

Infrastructure includes roads, airports, ports and other large-scale community projects and assets. Investment in infrastructure can take many forms, among them direct equity in a development or asset or a loan to a participant in a development. Infrastructure is a moderate to high risk investment that can produce strong returns when held to maturity.

### **Property**

Property includes residential real estate and industrial and commercial property (office buildings, factories and shopping centres). Property generates rental income and can also increase (or decrease) in value over time. It normally generates better returns than cash or fixed interest, but can be more volatile and is usually considered a moderate to high risk investment.

### **Private equity**

Private equity involves investment in private or unlisted companies. Private equity investment can be used to expand or develop a business. With care and thorough research, private equity can provide high returns, but with a higher level of risk.

### **Fixed interest**

Common forms of fixed interest securities are loans to government bodies and companies. These typically provide interest payments over the term of the security, as well as the return of the amount invested at the end of the security's life. The security's value fluctuates during its lifetime in response to a variety of factors, including changes in market interest rates. Fixed interest securities generally have a moderate level of risk and are expected to produce a moderate rate of return.

Floating rate securities are another form of fixed interest investments. These provide a variable rate of interest paid at a specified spread over a money market reference interest rate (for example the RBA cash rate).

MTAA Super's investments in fixed interest securities may include government and credit securities of both a fixed and floating rate nature.

## Alternatives credit

Alternatives credit are high-yield debt assets including infrequently traded debt securities (such as corporate bonds and loans) that exhibit greater credit risk and higher expected returns relative to sovereign government debt.

## Cash

Cash is invested in term deposits, notice period accounts, bank bills, commercial paper and other money market instruments for short periods. Cash is one of the most stable investments because returns are among the most predictable, but it generally earns the lowest rate of return of the main asset classes over the long term.

## Risk versus return

Each of MTAA Super's investments is subject to varying risk levels and changes in value. The key to choosing the right investment option/s is deciding the rate of return you would like to achieve and balancing this against the degree of risk you are prepared to accept.

Before making an investment choice, it's important to know your risk profile – that is, the extent to which you are prepared to accept low or even negative returns in any year for the possibility of higher gains over the medium to long term.

## Diversification

It's important to balance the risk of short-term fluctuations in the value of your super investment against the long-term retirement benefit that a well-diversified investment strategy can help provide.

Diversification means spreading your super across a number of different asset classes or types of investments. Asset classes perform differently at different times. Diversification can mean that if one asset class or investment falls in value, others that are performing better can make up for the loss or at least reduce the impact of the fall in value.

## Investment timeframe

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

When you have a short investment timeframe, you may want to minimise the risk of a negative return and choose a lower risk investment strategy.

When you have a longer investment timeframe, a higher risk investment strategy may be more suitable as you have more time to ride out the market fluctuations that can be associated with higher risk investments.

Remember that your investment timeframe will change over time, as will your risk profile, so it's important to review your investment choice from time to time and make changes if appropriate.

Your super savings may not be enough to provide for you in retirement. This can happen if you select a low risk investment strategy which yields low returns. While investing in lower risk investments may be suitable in the short term, your investment may not keep pace with inflation.

# Investment risks

All investments, including super, involve a degree of risk. Before investing, consider the potential risks.

## Market risk

Economic, technological, political and legal conditions, and even market sentiment, can (and do) change and this may mean that changes in the value of investment markets affect the value of investments in the Fund. MTAA Super aims to reduce market risk through diversification across asset classes, countries and investment managers.

## Liquidity risk\*

There is a risk that assets, especially unlisted assets, may not be able to be sold in a relatively short period without affecting the price of the asset. MTAA Super monitors liquidity risk constantly and has a policy for managing it.

\*The Fund's investment portfolio contains exposure to illiquid assets. MTAA Super is generally able to satisfy portability requirements from cash reserves. For more information about the Fund's portfolio, visit [mtaasuper.com.au](http://mtaasuper.com.au) or call us on 1300 362 415.

## Counterparty risk

The risk that the issuer of an investment that the Fund holds, or the other party to a contract with the Trustee, may fail to meet its legal or contractual obligations. This risk can arise in relation to arrangements such as derivative contracts, brokerage agreements, as well as repurchase and foreign exchange contracts. The Trustee considers counterparty risk when evaluating contracts.

## Credit risk

The risk of loss arising from a borrower defaulting on debt and/or a decline in the perception of credit quality within the market. This has the potential to arise with various investments including derivatives, fixed interest and mortgage securities. The Trustee manages credit risk in various ways, including conducting due diligence on prospective investments and ongoing performance monitoring and reporting.

## Currency risk

MTAA Super invests in other countries and if their currencies change in value relative to the Australian dollar the value of the investment changes. External currency managers are employed with the aim of reducing the impact of adverse movements in the Australian dollar.

## Derivatives risk

Derivatives are used to reduce risk or gain exposure to other types of investments. Among the risks associated with derivatives is the potential illiquidity of the derivative, the value of the derivative fails to move in line with the value of the underlying assets, the Trustee being unable to meet payment obligations as they arise, and counterparty risk. MTAA Super aims to keep derivative risk to a minimum by constantly monitoring the Fund's exposure to derivative contracts and by entering into derivative contracts with reputable counterparties. Derivatives are not used by MTAA Super to leverage investment exposure.

## Fund risk

There is a risk that disruption to the Fund's operations may occur as a result of a breakdown in technological systems or material changes to staffing arrangements. MTAA Super aims to keep fund risk to a minimum by maintaining a risk management and compliance framework in accordance with legislative requirements. Changes to super laws and/or taxation legislation can also affect your investment.

## Inflation risk

If inflation is greater than the return on your investment, the 'real' value of your investment falls. MTAA Super aims to reduce this risk by investing a portion of the Pre-mixed options in assets that are expected to generate returns in excess of inflation in the medium term.

## Interest rate risk

Changes in interest rates can have a positive or a negative effect directly or indirectly on investment value or returns.

## Specific risk

Specific risk refers to the non-market risk exposure of assets. Individual assets the Trustee purchases can (and do) fall in value for many reasons – for example, changes in the internal operations or management of a fund or company, or its business environment. MTAA Super aims to reduce this risk by holding a diversified portfolio of carefully selected assets across various asset classes. This ensures the portfolio has an affordable level of risk.

## Assessing investment risks

To make it easier to compare the risks of each of the investment options, each option is assessed according to its 'Standard Risk Measure'. This measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

### Standard Risk Measure

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

The Standard Risk Measure disclosed for each of MTAA Super's investment options (see 'Your investment options' starting on page 10) is calculated on the basis of the Strategic Asset Allocation for that investment option current at the date of this Guide. It represents the Trustee's calculation of the Standard Risk Measure for that option over a 20 year period. However, over shorter periods the risk associated with an investment option may differ from the Standard Risk Measure for that option. This can occur, for example, during transitional periods when changes are being made to the underlying assets of an option or when market movements mean that the day-to-day asset allocation of an investment option differs from the option's Strategic Asset Allocation.

The Standard Risk Measure is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Members should not rely exclusively on the Standard Risk Measure and should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

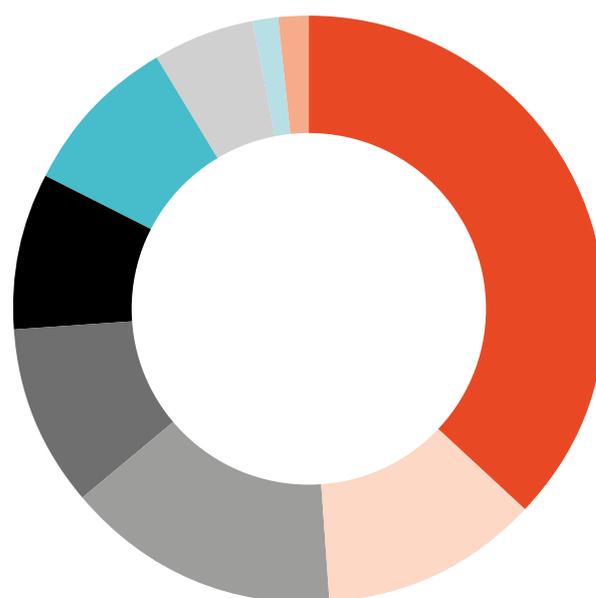
# Your investment options

## Pre-mixed options

### Conservative

The Conservative option seeks stable returns in the short to medium term through reduced exposure to risk. It is intended to be suitable for members who are willing to take on an average level of risk.

Strategic Asset Allocation	%	Range %
● Cash	37.0	20.0 – 50.0
● Australian Fixed Interest	12.0	5.0 – 25.0
● Overseas Fixed Interest	15.0	0.0 – 25.0
● Australian Equities	10.0	0.0 – 20.0
● International Equities	8.5	0.0 – 20.0
● Infrastructure	9.0	0.0 – 17.5
● Property	5.0	0.0 – 12.5
● Alternatives Credit	1.5	0.0 – 7.5
● Private Equity	2.0	0.0 – 7.5
● Other*	0.0	0.0 – 5.0



**Objective:** To out-perform (after tax and fees) the Consumer Price Index (CPI) by 1.25% a year over rolling five-year periods.

**Minimum suggested time frame:** 4 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 1.6

**Standard Risk Measure:** Risk Band 3, Low – Medium



+ Investments in this asset class may include natural resources, multi-asset class strategies and other alternative investments deemed appropriate.

## Income-Focussed

The Income-Focussed option seeks to generate an appropriate income yield, along with a balance between stable returns and growth.

Strategic Asset Allocation	%	Range %
● Cash	20.0	0.0 – 30.0
● Australian Fixed Interest	0.0	0.0 – 30.0
● Overseas Fixed Interest	22.5	0.0 – 30.0
● Australian Equities	17.5	0.0 – 40.0
● International Equities	17.5	0.0 – 40.0
● Infrastructure	7.5	0.0 – 20.0
● Property	7.5	0.0 – 20.0
● Alternatives Credit	7.5	0.0 – 20.0
● Private Equity	0.0	0.0 – 00.0
● Other*	0.0	0.0 – 00.0



**Objective:** To provide income yield of RBA Cash plus 2% per annum primarily, while aiming to achieve total return in excess of CPI+2% per annum.

**Minimum suggested time frame:** 5 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 3.4

**Standard Risk Measure:** Risk Band 5, Medium – High



+ Investments in this asset class may include natural resources, multi-asset class strategies and other alternative investments deemed appropriate.

## My AutoSuper (Balanced) – DEFAULT OPTION

My AutoSuper (Balanced) seeks medium to high long-term returns through a balanced exposure to risk. It is intended to be suitable for members with a moderate to high risk level.

Strategic Asset Allocation	%	Range %
● Cash	9.0	0.5 – 20.0
● Australian Fixed Interest	3.0	0.0 – 15.0
● Overseas Fixed Interest	7.5	0.0 – 15.0
● Australian Equities	22.0	5.0 – 35.0
● International Equities	28.5	5.0 – 35.0
● Infrastructure	15.0	0.0 – 35.0
● Property	8.5	0.0 – 22.5
● Alternatives Credit	3.0	0.0 – 17.5
● Private Equity	3.5	0.0 – 12.5
● Other*	0.0	0.0 – 17.5



**Objective:** To out-perform (after tax and fees) the Consumer Price Index (CPI) by 3% a year over rolling seven-year periods.

**Minimum suggested time frame:** 7 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 3.7

**Standard Risk Measure:** Risk Band 5, Medium – High

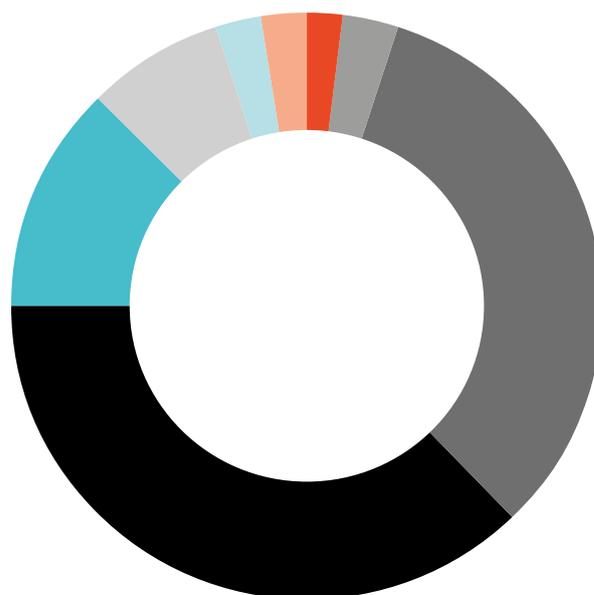


+ Investments in this asset class may include natural resources, multi-asset class strategies and other alternative investments deemed appropriate.

## Growth

The Growth option seeks high long-term returns through a controlled exposure to specific risk. It is intended to be suitable for members who are willing to take on above-average risk with a 10-year or longer investment time horizon.

Strategic Asset Allocation	%	Range %
● Cash	2.0	0.0 – 15.0
● Australian Fixed Interest	0.0	0.0 – 10.0
● Overseas Fixed Interest	3.0	0.0 – 10.0
● Australian Equities	32.0	20.0 – 50.0
● International Equities	38.0	20.0 – 50.0
● Infrastructure	12.5	0.0 – 30.0
● Property	7.0	0.0 – 17.5
● Alternatives Credit	2.5	0.0 – 7.5
● Private Equity	3.0	0.0 – 10.0
● Other*	0.0	0.0 – 5.0

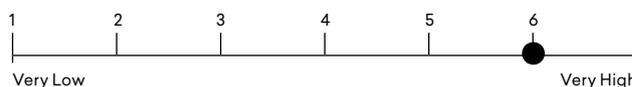


**Objective:** To out-perform (after tax and fees) the Consumer Price Index (CPI) by 3.5% a year over rolling 10-year periods.

**Minimum suggested time frame:** 10 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 4.3

**Standard Risk Measure:** Risk Band 6, High



+ Investments in this asset class may include natural resources, multi-asset class strategies and other alternative investments deemed appropriate.

# Asset class options

## Cash

The Cash option seeks stable returns through low exposure to risk. It is intended to be suitable for members who seek stable and secure investments without capital growth opportunity.

**Strategic Asset Allocation** %

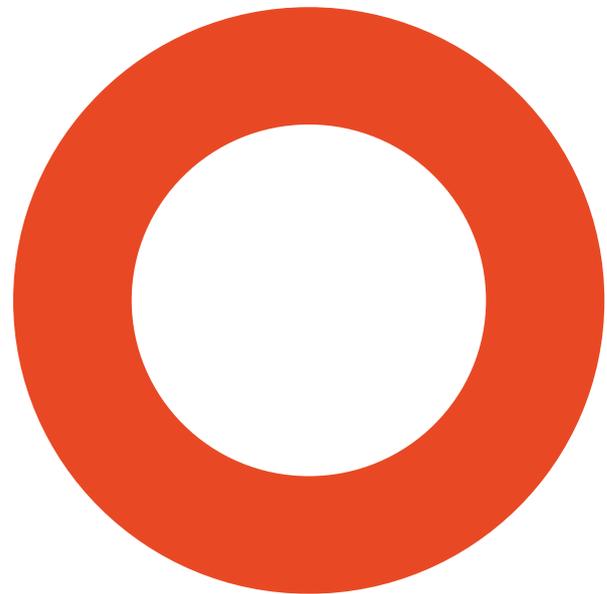
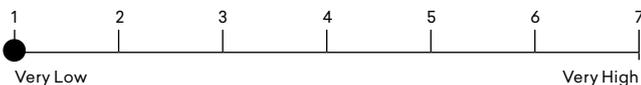
● Cash 100

**Objective:** To perform in line with (before tax and fees) the returns of the Bloomberg AusBond Bank Bill Index.

**Minimum suggested time frame:** 0.5 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 0.4

**Standard Risk Measure:** Risk Band 1, Very Low



## Diversified Fixed Interest

The Diversified Fixed Interest option seeks stable returns over the short to medium term through reduced exposure to risk. It is intended to be suitable for members who seek stable investment with limited capital growth opportunity.

**Strategic Asset Allocation** % **Range %**

● Australian Fixed Interest 40.0 35.0 – 65.0

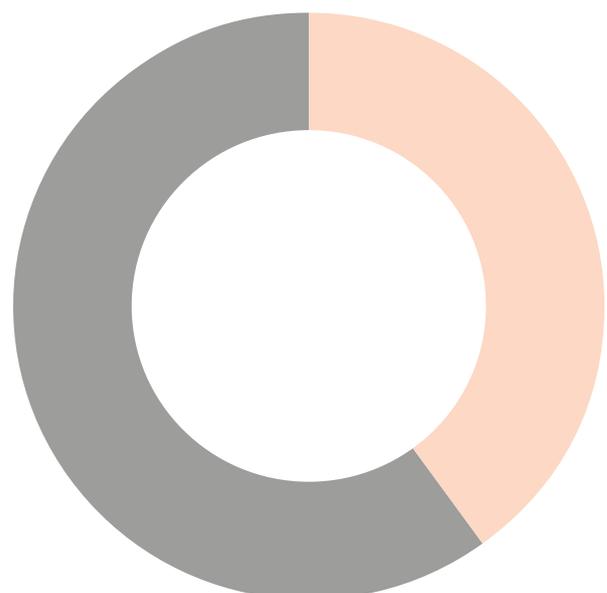
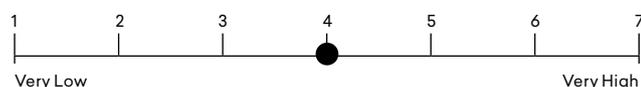
● Overseas Fixed Interest 60.0 0.0 – 65.0

**Objective:** To perform (before tax and fees) in line with a weighted average of the Bloomberg Ausbond Composite 0+Year Index, the Citigroup M1 Global Bond (ex-Australia) Index hedged to Australian dollars and global floating rate credit targeting a return of 0.8% p.a. above the Bloomberg AusBond Bank Bill Index.

**Minimum suggested time frame:** 3 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 2.7

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



## Australian Shares

The Australian Shares option seeks high returns in the long term through an exposure to market risk. It is intended to be suitable for members who are willing to take on above-average risk with an investment horizon of at least 10 years.

### Strategic Asset Allocation %

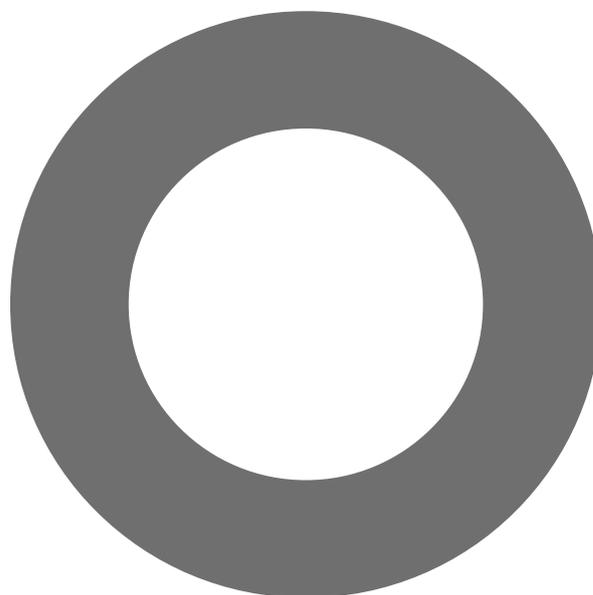
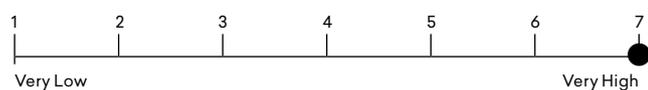
●	Australian Shares	100
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**Objective:** To moderately out-perform (before tax and fees) the returns of the S&P ASX300 Accumulation Index including franking credits.

**Minimum suggested time frame:** 10 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 6

**Standard Risk Measure:** Risk Band 7, Very High



## International Shares

The International Shares option seeks high returns in the long term through an exposure to global market risk. It is intended to be suitable for members who are willing to take on above average risk with an investment horizon of at least 10 years.

### Strategic Asset Allocation %

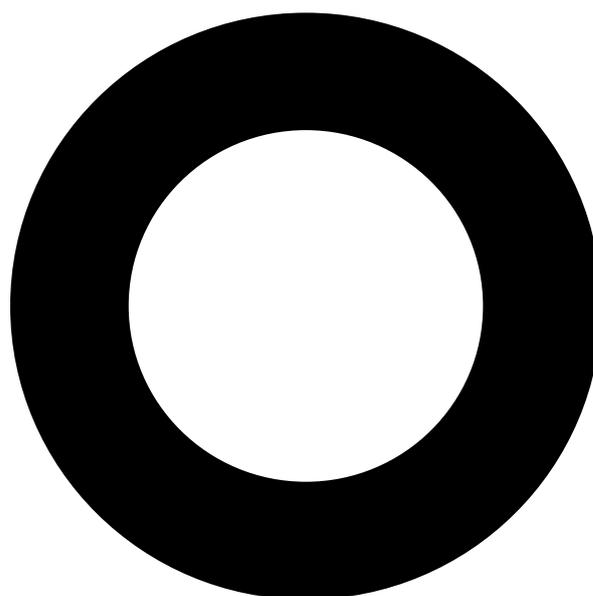
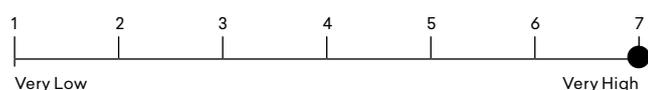
●	International Shares	100
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**Objective:** To moderately out-perform a weighted average of the hedged (into AUD) and unhedged (in AUD) MSCI All Countries World (ex-Australia) Index (before fees and taxes).

**Minimum suggested time frame:** 10 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 6

**Standard Risk Measure:** Risk Band 7, Very High



# Other important information

## Changing your investment choice

You can change (or switch) your investment choice for:

- your existing account balance, and
- any future contributions made to your account.

Different rules apply for switching investment options for your existing account balance and for your future contributions.

### **Your existing account balance**

You can change (switch) investment options as often as you like at no charge.

Switching applications will be effective two business days after the request is received using the most recent unit price/s available. A business day is any day that is not a weekend or national public holiday.

Applications received before 11.59pm Sydney time will take effect two business days after the request is received. For example, switching applications received on a Friday, Saturday or Sunday, prior to 11:59pm Sydney time will be effective on Tuesday. Switching applications received on a Monday prior to 11:59pm Sydney time will be effective on Wednesday.

### **Your future contributions**

Your request to switch the option/s in which your future contributions will be invested will take effect from the date your instructions are received by MTAA Super and will apply to all future contributions from that date. There is no switching fee applied to these changes; however, deductions, such as the administration fee, insurance fee and contributions tax, will be taken from the investment option/s you select for your future contributions. If there are insufficient funds to cover deductions in the investment option/s you have nominated, deductions will be taken from the balances of any other investment option in which you are invested.

## How to change your investment option/s

To change your investment option/s you can:

- login to your account via Member SuperSite at **[mtaasuper.com.au/member-login](https://mtaasuper.com.au/member-login)**, or
- complete a *Member Investment Choice* form available at **[mtaasuper.com.au/member-forms](https://mtaasuper.com.au/member-forms)**, or
- call us on **1300 362 415**.

If more than one switch request is received in the same day (whether written or online), the form or request received last will be applied.

## How to cancel a switch request

To cancel a request to switch the investment option/s for your existing account balance, you must call us on **1300 362 415** prior to 7.00pm Sydney time on the day we receive your instruction. Alternatively, you can login to your account via Member SuperSite and send us a message no later than 11.59pm Sydney time on the same day the instruction was made.

To cancel a request to switch the investment option/s for your future contributions, you must call us on **1300 362 415** prior to 7:00pm Sydney time on the same day the instruction was made.

## Daily unit pricing

MTAA Super uses unit pricing to apply investment returns and calculate member account balances. This is generally considered to be 'best practice' in the financial services industry.

### How does it work?

When you invest in any MTAA Super investment option, your money is placed in a pool of assets, along with every other member who has chosen that investment option.

Each investment option is divided into units and every unit you own in that investment pool represents your share of that investment option. The value of your investment in a particular option is the number of units you hold in that option multiplied by the unit price of the option.

Each time you invest in an investment option (e.g. by making contributions), you **buy units** and each time you reduce your investment in an option (e.g. by making a withdrawal) you **sell units**.

The table below shows the type of unit price associated with common transactions.

Buy price
Money going <b>into</b> your account:
Contribution, rollover, transfer into an investment option (switch)
Sell price
Money going <b>out of</b> your account:
Withdrawal, pension payments, fees, transfer from an investment option (switch)

### Buy-sell spread

A buy-sell spread represents the estimated transaction costs incurred when buying or selling underlying assets in relation to investment options. The spread is applied to ensure that all transaction costs incurred in buying or selling assets are fairly allocated to those members who transact in an investment option. The buy-sell spread is retained in the Fund and is not a fee paid to the Trustee.

## How is the unit price determined?

The unit price for each investment option is calculated by dividing the value of the assets in the option (after allowing for fees, costs (including fees paid to investment managers) and taxes) by the number of units on issue. As the value of these assets and liabilities can go up or down, the unit prices for the different investment options can also go up or down.

The buy-sell spread is applied to the unit price to obtain the buy price and the sell price. The difference between the investment option buy and sell prices is the total buy-sell spread for that option.

A new buy and sell unit price will be set, typically, each business day\* for each investment option, reflecting the changing value of the underlying assets in the investment option/s and transactional and operational costs. The unit price will be available at [mtaasuper.com.au/unit-pricing](https://mtaasuper.com.au/unit-pricing) each day.

If a unit price is unable to be determined for a business day due to an unforeseeable event, such as a trading suspension in relevant markets, MTAA Super will take all reasonable steps to recommence unit pricing as soon as possible.

\*A business day is generally considered to be Monday through Friday and excludes weekends and national public holidays.

For historical performance information and the latest unit prices for each of the options, visit our website at [mtaasuper.com.au/unit-prices](https://mtaasuper.com.au/unit-prices)

### Different unit prices for super and pension accounts

Unit prices will vary between the same investment options for accumulation and pension accounts. This is because the earnings on assets within super accounts are subject to tax and other expenses, whereas they are tax free within pension accounts.

## Socially responsible investment policy

MTAA Super considers environmental, social and governance (ESG) risks, impacts and opportunities in its investment decision making and investment governance processes in order to protect and prudently manage the Fund's investments for the long term. This includes the selection, retention or realisation of investments, as well as the discharge of its proxy voting entitlements and company engagement efforts. This applies equally across all of the Fund's investment options.

Governance considerations may include Board and Director independence and executive remuneration, disclosure and transparency. Environmental considerations will include climate change and pollution and social considerations will include risks and impacts arising from labour standards and human rights.

ESG principles are taken into account in the investment governance processes in the following ways:

- As a foundation member of the Australian Council of Superannuation Investors (ACSI), including involvement in its Member Council, MTAA Super seeks to act collectively with like-minded investors to take advantage of the strong collective voice on key governance issues impacting the listed companies in which the Trustee invests. MTAA Super takes guidance from ACSI's various policies, guidelines and frameworks and supports its company engagement program. ACSI's role includes assisting member funds with the management of ESG risks and impacts.
- MTAA Super is active in the proxy voting process and strives to vote on every resolution for every listed portfolio company for which it is entitled to do so. The Trustee's voting actions are published on the Fund's website and updated twice per annum.
- Through our proxy voting actions for listed companies owned by the Fund and through the engagement program conducted by ACSI.
- The majority of MTAA Super's investment managers for listed asset classes are signatories to the United Nations' Principles for Responsible Investment (UNPRI) and they take into account ESG factors in making investment decisions. MTAA Super considers prospective managers' capabilities in respect of integrating ESG risks into their investment processes and monitors investment managers' activities in this regard once appointed.

In addition, MTAA Super is a signatory to the UNPRI in its own right.

- MTAA Super believes that the issue of corporate governance within the unlisted investment companies in which it directly holds stakes is equally important as for listed entities. Accordingly, when entering into unlisted investments the Trustee seeks the strongest possible governance, information and representation rights, and will also actively vote on all resolutions issued by unlisted investee companies. It will also take into account environmental, social and governance risks and impacts among the many risks considered. The Trustee works with its advisers in assessing all reasonable risks when entering into new unlisted investments.

MTAA Super relies on advice from Management, ACSI, our asset consultant, investment managers and other professional advisers as required; however, it's ultimately the Trustee's responsibility to ensure ESG risks and impacts are understood, managed and taken into account in accordance with our Investment Governance Framework and Investment Beliefs.

While MTAA Super doesn't currently offer any investment options selected solely on the basis of ESG considerations, we take ESG considerations into account as part of our broader investment decision-making process where practicable to do so.

Where possible, we seek to exclude tobacco from our investment portfolio. This portfolio wide exclusion relates to the manufacture of tobacco products as defined by the Global Industry Classification Standard.

There's much to consider when you're making decisions about your super and how it's invested. We can help you with information and general advice but recommend that you also seek professional financial advice.

Our Financial Education and Advice Team can offer you general and limited personal advice about your super, including information about the Fund's investment options.

**Industry Fund Services (IFS) provides our members with fee-for-service financial planning. The first meeting is at no additional cost to you and there is no obligation to proceed. IFS will provide you with a Statement of Advice that sets out the fees they will charge for the advice. IFS operates under Australian Financial Services Licence (AFSL) 232514.**

Call us on **1300 362 415** and we'll put you in touch with someone that can help.





Section D

Member  
declaration  
(continued)

- I advise that neither the Trustee, my employer nor MTAA Super has influenced my investment choice.
- I acknowledge that the Trustee expressly disclaims all and any liability for any investment decisions taken by me.
- I acknowledge that the Trustee can change its investment strategies, managers or underlying investments at any time.
- If the options I have chosen do not add up to 100%, I understand that the difference will be adjusted through the My AutoSuper (Balanced) option.
- I understand that all conditions are subject to variation from time to time at the discretion of the MTAA Super Trustee.
- I understand that if there are insufficient funds to cover deductions in the investment option/s I have nominated for future contributions, deductions will be taken from the balances of any other investment option in which I am invested.
- I understand that switching applications are processed weekly and are effective from each Wednesday. My application must be received by 11:59pm Sydney time on a Tuesday to take effect on the following day. If my application is received after 11:59pm Sydney time on a Tuesday, it will take effect on the Wednesday of the following week.
- I understand that this application for my future contributions will take effect from the date the application is received by the Fund.
- I understand that if I do not complete Section B, my existing account balance will be invested in the My AutoSuper (Balanced) option or as otherwise nominated by me previously.
- I understand that if I do not complete Section C, my future contributions will be invested in the same percentages I indicated for my existing account balance (Section B).

Signature

Date

**This application has no effect until it is fully completed, signed, dated and lodged with MTAA Super.**

**Return the completed, signed and dated application to:  
MTAA Super, Locked Bag 5134, Parramatta NSW 2124.**

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THE RG CASEY BUILDING

DEPARTMENT OF  
FOREIGN AFFAIRS AND TRADE

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1300 362 415  
contact@mtaasuper.com.au  
**mtaasuper.com.au**

Locked Bag 5134  
Parramatta NSW 2124

Trustee: Motor Trades Association of  
Australia Superannuation Fund Pty. Limited  
ABN 14 008 650 628 | AFSL 238 718

MTAA Superannuation Fund  
ABN 74 559 365 913 | USI MTA0100AU

