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OURCOMMUNITY

INVESTMENT GUIDE

media super

An Industry SuperFund

Issued 1 April 2020

CONTENTS

1. Investment basics **3**
What are investments made up of? 3
What else should I consider? 4
Risks of super 6

2. Investment options **8**
Choose from our wide range of investment options 8
Pre-mixed 9
Single asset class 15
Direct Investment 29
Lifecycle 30

3. Making a choice **37**
4 simple steps 37
Changing your investment option 37
Unitised investments explained 37
Derivatives 38

4. Environmental, social and governance (ESG) considerations **39**
Sustainable Future Shares option 39

This *Investment Guide* was prepared on 1 April 2020 and issued by Media Super Limited, Level 15, 45 Clarence Street, Sydney NSW 2000, ABN 30 059 502 948, AFSL 230254 (Trustee), the Trustee of Media Super (ABN 42 574 421 650, SPIN PIN 0100AU, USI 42574421650001) (Fund). The information in this document forms part of the Media Super *Member Guide Product Disclosure Statement* (PDS) issued 1 April 2020 and the Media Super *Pensions Guide Product Disclosure Statement* issued 1 April 2020. You should read this document in conjunction with the PDS before you make a decision about Media Super.

Warning: The information in this document is general information only. It has been prepared without taking into account your objectives, financial situation or needs. Because of that, before acting on the information, you should consider its appropriateness, having regard to your objectives, financial situation and needs. We recommend that you also consider obtaining financial advice from a licensed financial planner.

Information in the PDS and the additional information that forms part of the PDS (including this document) may change from time to time. We will notify members in writing of any significant events or material changes. We may update information that is not materially adverse via our website at **mediasuper.com.au/blog**.

A paper or electronic copy of any updated information is available without charge on request. Any statements given by third parties in this document have been given with their consent, which has not been withdrawn at the time of issuing this document.

Except as outlined in the PDS and the additional information that forms part of the PDS, we can change matters which are the subject of representations set out in these documents at any time without notice.

1. INVESTMENT BASICS

Superannuation is a long-term investment for your retirement, and your super is invested to earn returns on the contributions made to your account. Understanding some investment basics will help you choose a Media Super investment option that best suits your needs.

What are investments made up of?

Investments can be divided into two types – growth assets, and defensive assets. Our investment options offer a mix of these types of assets.

Growth assets carry higher risk, but they can deliver higher returns over the long term. Defensive assets generally carry less risk, and can therefore be used to protect your investment against loss. However, defensive assets generally deliver lower returns over the long term.

It is important to understand that when you invest in a particular investment option, you will not hold any legal or beneficial interest in any of the specific assets underlying the investment option. Rather, you are selecting an exposure to certain types of assets such as cash, fixed interest, property, alternative assets, or shares.

Types of assets

The risk/return profile of each of Media Super's investment options is determined by the percentage allocated to different investment asset types. Note that some types of assets can be mixed between growth and defensive, depending on (for example) their investment strategy.

Typical Growth assets

Shares

Companies listed on a stock exchange issue shares (also known as equities or stocks) to raise capital. Purchasers become shareholders and part-owners of the company when they purchase ordinary shares in a company. That means that they are entitled to dividend payments when the company decides there are earnings available for distribution to shareholders. Company performance (including debt levels), industry conditions or movements in the share market can affect the share price and make it rise and fall.

Private equity

Private equity investments are investments directed into private companies (not listed on a stock exchange) to fund new technologies, expand working capital within an owned company, make acquisitions or conduct buyouts of public companies that result in a delisting of a company.

These types of investments often demand long time periods to allow for a turnaround of a distressed company or a liquidity event such as an IPO (Initial Public Offering) or sale to a public company.

'Private equity' is described as 'Other' under Asset class type in the asset allocation tables on pages 9 to 37.

Commodities

Commodities are most frequently used as inputs in the production of other goods or services (e.g. copper) or as an ingredient of food (e.g. wheat). The quality of these commodities may differ substantially, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards.

Typical Defensive assets

Fixed interest

When an investor lends money to governments, semi-government bodies and corporations, interest is paid at an agreed rate which is fixed for the term of the loan. These investments are known as bonds or fixed interest. Fixed interest investments can be held until they mature or they can be traded at any time before maturity. If they are sold before maturity, the price will depend on the interest rate at the time. Returns from fixed interest investments occur from regular interest payments and any change in value caused by movements, either up or down, in interest rates. Fixed interest is usually a more stable investment than shares, but this depends on the investment environment. (See interest rate risk on page 6).

'Fixed interest' is described as 'Fixed Income' under Asset class type in the asset allocation tables on pages 9 to 37.

Cash

Investments in cash include money invested in term deposits or bank bills. Interest is earned on the cash invested. This is similar to having money in a bank account. Over the long term, cash is likely to produce the lowest return of all the main asset classes.

Mixed Assets

Infrastructure

Infrastructure is considered an Alternative asset class in investment terms, and is comprised of companies and property of significance to the community. Infrastructure includes investments in companies involved in power generation and distribution, water and sewage, roads, rail, air and sea ports and telecommunications, as well as Social Infrastructure such as hospitals, schools, aged care facilities, courthouses and community housing.

Property

Land and buildings that can be bought, sold or leased are known as property. Investing in property through a super fund lets purchasers pool their money to enable them to invest in properties that would otherwise be too expensive for them to acquire on their own, for example, office buildings and shopping centres.

Property includes investments in real estate investment trusts (REITs), which may be listed on the stock exchange. Like shares, the value of property is influenced by many factors, including supply and demand and market conditions.

Opportunistic

The aim of this asset class is to capture returns from opportunistic investments with higher risk and return profiles – so, a short to medium-term position to take advantage of opportunities, rather than structural additions to the portfolio. It includes investment prospects which may arise from market dislocation and which offer the opportunity for the Fund to enhance its excess return incrementally, but which are not appropriate for other investment classes (e.g. due to an unsuitable liquidity profile). The Fund may invest in many different investment structures, including hedge funds, which aim to deliver high returns that are expected to be above zero in most market environments.

'Opportunistic' is described as 'Other' under Asset class type in the asset allocation tables on pages 9 to 37.

What else should I consider?

Risk and return

You cannot consider return without risk, and generally, the higher the potential return, the higher the risk. Your tolerance of risk is an important factor to consider before making your investment choice. Everyone has a different tolerance of risk, and you need to be comfortable with the level of risk that is associated with the investment option, or mix of investment options, that you choose.

Investment timeframe

When selecting an investment option you should consider your investment timeframe and understand the effect that time can have on an investment. It is generally accepted that the longer your investment timeframe, the more risk you can afford to take.

Diversifying

Diversifying or spreading your investments across a range of asset classes also has the potential, over time, to smooth out any ups and downs in investment returns, as it is unlikely that all asset classes will have negative returns at the same time.

Reviewing your investment choices as your life changes

It's a good idea to review your investment choices as your circumstances change. Being in a high-growth investment option may not be suitable if you're close to retirement; you may wish to move into a low-risk option.

Seek financial advice

We recommend seeking advice from a qualified financial planner when choosing an investment option. See page 38 for more information.

INVESTING IN YOU - AUSSIE FILMS & TV

Our unique investment in the Australian film and TV industry supports our members who work in creative roles, but also generates solid earnings for all members.

This investment is considered an Opportunistic asset which functions like a traditional Fixed Interest investment, but normally offers a more stable return than a typical fixed interest portfolio.

Our Balanced, High Growth, Growth and Stable investment options all have some level of exposure to the Fulcrum investment.

How does it work?

Media Super provides a cash flow loan facility and also access to a pre-sale advance loan to help finance film and TV productions, via a landmark partnership with Fulcrum Media Finance.

It is important to note that this is funding for the pre-production stage of film and TV development only. Media Super does not invest in a movie's success at the box office.

The loan we provide is designed to help get film projects off the ground and supply that vital production funding required in order for a film to be made.

This investment also benefits from the Producer Offset, which is a tax offset designed to encourage film, television and other screen production in Australia.

Through this partnership we've supported over 150 high-quality films and TV shows since 2010* – and we're proud of it.

* As at 30 June 2019.

Television programs have included *Cleverman*, *Miss Fisher's Murder Mysteries*, *The Secret River*, *Molly*, *Rake* [Season 4], *Upper Middle Bogan* [Season 3] and most recently *Doctor Doctor* [Season 2] and *Sunshine*.

While feature films funded include AACTA award winners *The Dressmaker*, *Last Cab To Darwin*, *The Daughter*, *The Railway Man*, *The Turning* and *The Hunter*, along with the box-office success *Lion* and critically acclaimed *Breath* and *Sweet Country*.

To find out more about the films and television programs we've supported, visit **mediasuper.com.au/movies**.

MEDIA SUPER PROVIDES LOTS OF INVESTMENT OPTIONS FOR YOU TO CHOOSE FROM.

Risks of super

Like any other investment, super is subject to risk. Investment risk refers to the likelihood that your investment could lose money or not make as much as expected. The significant risks of investing in super include:

RISK	DESCRIPTION
Credit risk	The risk that a debt issuer will default on payments of interest or principal.
Currency risk	The risk that overseas investments gain or lose value as a result of a falling or rising Australian dollar.
Derivatives risk	The risk that exposure to exchange-traded and over-the-counter derivative instruments increases the risk in a portfolio or exposes a portfolio to additional risks – such as the possibility that a position is difficult or costly to reverse or that there is an adverse movement in the asset, interest rate, exchange rate or index underlying the derivative. For information on the use of derivatives, see page 38.
Individual Asset risk	The risk attributable to individual assets within a particular asset class. Individual assets in which Media Super invests can (and do) rise or fall in value for many reasons, such as changes in the internal operations or management of a fund or entity in which Media Super invests, or the business environment in which it operates.
Inflation risk	The risk that money may not maintain its purchasing power, due to increases in the price of goods and services (inflation).
Interest Rate risk	Changes in interest rates can have a positive or negative impact, directly or indirectly, on investment value or returns – for example, the income return on a fixed-interest security can become more or less favourable when rates change. Interest rate risk also refers to fluctuations in the cost of borrowing.
Investment Manager risk	The risk that a particular investment manager will underperform. For example, this could be because their view on markets is wrong, or because of their investment 'style', or because they lose key investment personnel.
Liquidity risk	The risk that investors will be unable to redeem their investment at their chosen time.
Market risk	The risk of major movements within a particular asset class.
Negative returns	There is a risk that investment options will have negative returns, causing you to lose principal capital and earnings.
Policy risk	Changes are frequently made to superannuation law, and may also occur to the taxation of superannuation, which may affect the value of your investment or your ability to access your benefit.
Political risk	The risk that domestic and international political events can impact on an investment.
Taxation risk	The risk that taxation laws and their interpretation may change in the future in a manner that may adversely impact the taxation outcomes for members.
Timing risk	The risk that, at the date of investment, money is invested at higher market prices than those available soon thereafter. Alternatively, it can also mean the risk that, at the date of withdrawal, investments are redeemed at lower market prices than those that were recently available or that may have been available soon thereafter.
Volatility risk	Is the instability of a particular investment.

Before making an investment choice, we strongly recommend that you consider the risks outlined above. You should consider diversification and all the risks associated with investments before making an investment choice.

Risks of Media Super's investment options

Media Super uses the Standard Risk Measure (SRM) to describe the risk that applies to each of our investment options. The SRM 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. Each option is assigned a risk band and risk label based on the estimated number of negative annual returns over any 20-year period as outlined in the table below.

Standard Risk Measure (SRM)

The SRM is not a complete assessment of all forms of investment risk. For example, it does not detail what the size of the negative return could be, or the potential for a positive return to be less than a member may require to meet their objectives. It also does not take into account the impact of administration fees and tax on the likelihood of a negative return. Members should still ensure that they are comfortable with the risks and potential losses associated with their chosen investment options.

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

2. INVESTMENT OPTIONS

We understand that members have different investment requirements.

That's why Media Super allows you to select an investment strategy designed to help you achieve your retirement goals. Media Super's investment options provide you with the choice you need to create the best mix of investments to build a portfolio that you're comfortable with. The mix of options you choose should be determined by your investment objectives and profile.

Choose from our wide range of investment options

Unless you choose a different option or a mix of options, your superannuation will be invested in the **Balanced (MySuper) option**.

PRE-MIXED

Offers a range of asset classes to provide different risk/return profiles:

- Balanced (default – MySuper-authorised)
- Indexed Balanced
- High Growth
- Growth
- Moderate Growth
- Stable

SINGLE ASSET CLASS*

Investment in a single specific asset class only:

Shares

- Australian Shares
- Passive Australian Shares
- Australian Small Companies
- Diversified Shares
- Overseas Shares
- Passive International Shares
- Hedged International Shares
- Emerging Markets Shares
- Sustainable Future Shares

Property and infrastructure

- Property
- Global Listed Property
- Global Listed Infrastructure

Other

- Fixed Interest
- Cash

DIRECT INVESTMENT

Take control of your super and choose from:

- ASX300-listed companies
- Exchange Traded Funds
- Term deposits

This Direct Investment option allows you to take greater control and manage how your super is invested, providing you with choice and the flexibility to make the investment decisions yourself.

Certain limits and restrictions apply. Please read the *Direct Investment Guide* available at **mediasuper.com.au/pds** for details of the options available and how to get started.

LIFECYCLE

AVAILABLE TO SUPER MEMBERS ONLY.

Offers a 'whole of life' approach to investing by combining different types of assets, the proportions of which are changed automatically for you throughout the different stages of your life:

- SmartPath

* We will be rationalising the number of investment options available to members in 2020 and some Single Asset Class options may close. Please consider this when choosing an investment option. Please check **mediasuper.com.au/investment-choices** for notification of any closures and the effective date/s. Where an option does close, members invested in that option will be notified of their options accordingly.

The investment performance for each option is available at **mediasuper.com.au/investments/fund-performance/super** for the Super options and **mediasuper.com.au/investments/fund-performance/pensions** for the Pension options.

Media Super may add, close or terminate investment options, add new investment managers or replace investment managers, as well as change the objective and investment strategy, individual asset classes, and strategic asset allocations or ranges of an investment option at any time, without prior notice to members. We will notify you about any material changes to the investment options.

PRE-MIXED

Balanced Our default (MySuper) investment option

Investment overview

Balanced offers a significant exposure to growth assets of 71%, and 29% to defensive assets.

Intended to be suitable for

Investors who have a 5–10 years investment time horizon and are seeking to achieve moderate returns over the long term by investing across a broad range of asset types, with higher exposure to growth assets.

Investment objectives

Return: Over rolling ten-year periods, having a 70% probability of achieving a member investment return after fees and taxes equivalent to CPI + 3.5% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 6.

Standard Risk Measure

Risk band: 5

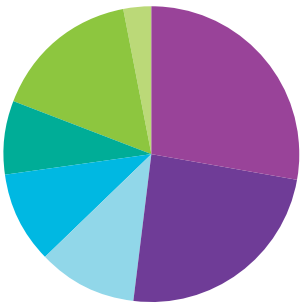
Risk label: Medium to High

Estimated number of negative annual returns over any 20-year period: 3 to less than 4.

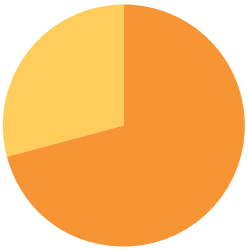
Recommended minimum investment timeframe

Medium to long (5-10 years).

Investment strategy



Growth vs Defensive split



- 71% Growth
- 29% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	27.5	18-38
Overseas Shares	24	14-56
Infrastructure	12	2-22
Property	10	4-18
Other	8	2-42
Fixed Income	15.5	1-31
Cash	3	0-15

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

PRE-MIXED CONTINUED...

Indexed Balanced

Investment overview

Indexed Balanced offers a significant exposure to growth assets of 75%, and 25% to defensive assets.

Intended to be suitable for

Investors who have a 5–10 years investment time horizon and are seeking a low-cost option to achieve moderate returns over the long term by investing across a broad range of asset types, with higher exposure to growth assets.

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 3.0% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 5.

Standard Risk Measure

Risk band: 6

Risk label: High

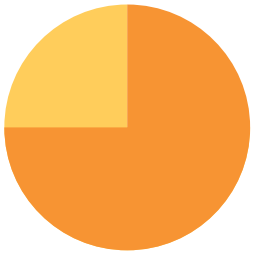
Estimated number of negative annual returns over any 20-year period: 4 to less than 6.

Recommended minimum investment timeframe

Long (10+ years).

Investment strategy

Growth vs Defensive split



- 75% Growth
- 25% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	28	18-38
Overseas Shares	27	9-58
Infrastructure	10	0-20
Property	10	0-20
Fixed Income	20	5-40
Cash	5	0-20

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

PRE-MIXED CONTINUED...

High Growth

Investment overview

High Growth provides a high-growth-oriented investment strategy, with 94% invested in growth assets such as shares and 6% invested in defensive assets.

Intended to be suitable for

Investors who have a 10 years-plus investment time horizon and are prepared to accept high volatility to pursue potentially greater long-term returns by investing predominantly in growth assets.

Investment objectives

Return: Over rolling ten-year periods, having a 60% probability of achieving a member investment return after fees and taxes equivalent to CPI + 4.5% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 4.

Standard Risk Measure

Risk band: 6

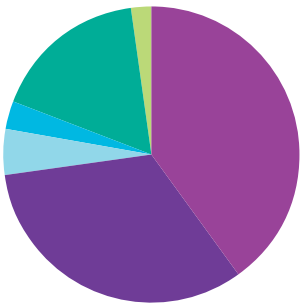
Risk label: High

Estimated number of negative annual returns over any 20-year period: 4 to less than 6.

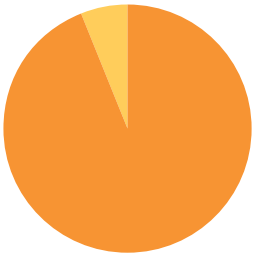
Recommended minimum investment timeframe

Long (10+ years).

Investment strategy



Growth vs Defensive split



- 94% Growth
- 6% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	40	30-50
Overseas Shares	33	8-73
Infrastructure	5	0-10
Property	3	0-10
Other	17	0-38
Cash	2	0-10

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

PRE-MIXED CONTINUED...

Growth

Investment overview

Growth provides a growth-oriented investment mix, with a 80% allocation to growth assets.

Intended to be suitable for

Investors who have a 10 years-plus investment time horizon and are prepared to accept high volatility to pursue potentially greater long-term returns with a substantially higher exposure to growth assets.

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 4% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 5.

Standard Risk Measure

Risk band: 6

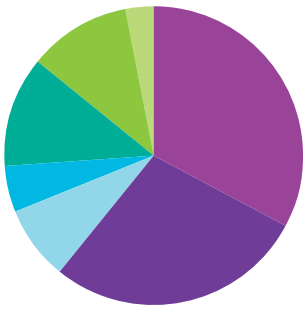
Risk label: High

Estimated number of negative annual returns over any 20-year period: 4 to less than 6.

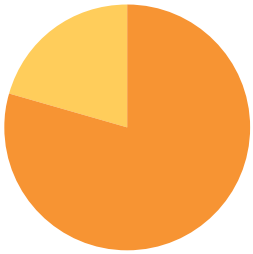
Recommended minimum investment timeframe

Long (10+ years).

Investment strategy



Growth vs Defensive split



- 80% Growth
- 20% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	33	23-43
Overseas Shares	28	10-59
Infrastructure	8	1-15
Property	5	1-9
Other	12	0-56
Fixed Income	11	0-39
Cash	3	0-15

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

PRE-MIXED CONTINUED...

Moderate Growth

Investment overview

Moderate Growth invests in growth and defensive assets across most asset classes. It is designed for members who want exposure to growth and defensive assets and can tolerate a low to medium level of risk over 5-10 years.

Intended to be suitable for

Investors who have a 5–10 years investment time horizon and are seeking to achieve moderate returns over the long term by investing across a broad range of asset types.

Investment objectives

Return: Over rolling ten-year periods, having an 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 3% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 7.

Standard Risk Measure

Risk band: 4

Risk label: Medium

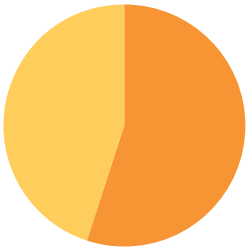
Expected number of years of negative returns over any 20-year period: 2 to less than 3.

Recommended minimum investment timeframe

Medium to long (5-10 years).

Investment strategy

Growth vs Defensive split



- 54% Growth
- 46% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	17	0-30
Overseas Shares	21	5-35
Property (Australian)	5.5	0-20
Property (Overseas)	2	0-10
Infrastructure (Listed)	0	0-10
Infrastructure (Unlisted)	5	0-20
Other	9.5	0-25
Fixed Income (Australian)	12	0-30
Fixed Income (Overseas)	18	0-50
Cash	10	0-25

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %). Please note the total benchmark strategic asset allocation of 'Growth' and 'Defensive' assets may not add up to the total Growth vs Defensive split due to rounding.

PRE-MIXED CONTINUED...

Stable

Investment overview

Stable aims to provide relatively steady returns, through a 66% allocation to defensive assets.

Intended to be suitable for

Investors who have a 1 to 5 years investment time horizon and are prepared to accept lower returns in exchange for experiencing a lower level of volatility, achieved by investing mainly in defensive assets with some exposure to growth assets.

Investment objectives

Return: Over rolling ten-year periods, having a 75% probability of achieving a member investment return after fees and taxes equivalent to CPI + 2.5% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 20.

Standard Risk Measure

Risk band: 2

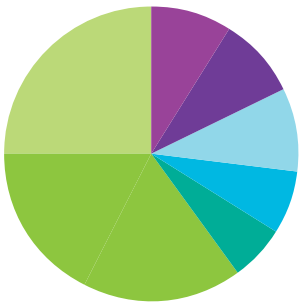
Risk label: Low

Estimated number of negative annual returns over any 20-year period: 0.5 to less than 1.

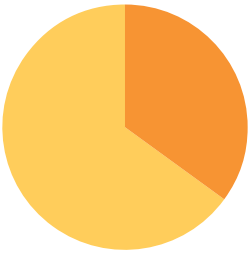
Recommended minimum investment timeframe

Medium (1-5 years).

Investment strategy



Growth vs Defensive split



- 34% Growth
- 66% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	9	2.5-22.5
Overseas Shares	9	2.5-42.5
Infrastructure	9	4-14
Property	7	2-12
Other	6	0-24
Fixed Income	35	16-54
Cash	25	8-35

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SINGLE ASSET CLASS SHARES

Australian Shares

Investment overview

The Australian Shares sector option provides a high-growth-oriented investment strategy predominantly invested in Australian shares.

Intended to be suitable for

Investors seeking higher returns over the long term (minimum 10+ years), through exposure to the Australian share market.

Investment objectives

Return: Over rolling ten-year periods, having a 50% probability of achieving a member investment return after fees and taxes equivalent to CPI + 4.5% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Standard Risk Measure

Risk band: 7

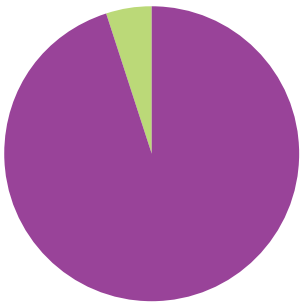
Risk label: Very High

Estimated number of negative annual returns over any 20-year period: 6 or greater.

Recommended minimum investment timeframe

Long (10+ years).

Investment strategy

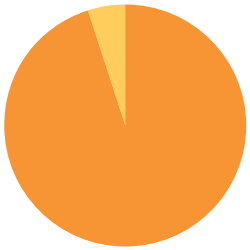


Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	95	85-100
Cash	5	0-15

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

Growth vs Defensive split



- 95% Growth
- 5% Defensive

Passive Australian Shares

Investment overview

Passive Australian Shares invests in Australian shares using a passive approach.

Intended to be suitable for

Investors seeking higher returns over the long term (minimum 10+ years), through exposure to the Australian share market.

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 3.5% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Standard Risk Measure

Risk band: 7

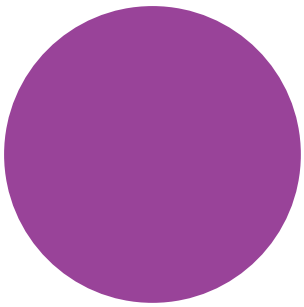
Risk label: Very High

Estimated number of negative annual returns over any 20-year period: 6 or greater.

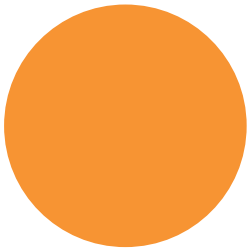
Recommended minimum investment timeframe

Long (10+ years).

Investment strategy



Growth vs Defensive split



- 100% Growth
- 0% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	100	90-100
Cash	0	0-10

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SINGLE ASSET - SHARES CONTINUED...

Australian Small Companies

Investment overview

Australian Small Companies invests mainly in growth assets, mainly Australian small company shares. It is designed for members who want exposure to growth assets and can tolerate a high level of risk over 10 years.

Intended to be suitable for

Investors seeking higher returns over the long term (minimum 10+ years), through exposure to the Australian share market.

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 2.75% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Standard Risk Measure

Risk band: 7

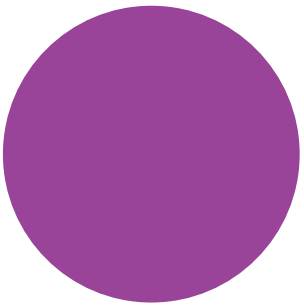
Risk label: Very High

Estimated number of negative annual returns over any 20-year period: 6 or greater.

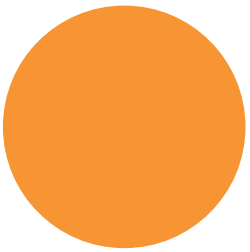
Recommended minimum investment timeframe

Long (10+ years).

Investment strategy



Growth vs Defensive split



- 100% Growth
- 0% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	100	90-100
Cash	0	0-10

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SINGLE ASSET - SHARES CONTINUED...

Diversified Shares

Investment overview

Diversified Shares invests mainly in growth assets, mainly Australian and overseas shares. It is designed for members who want exposure to growth assets and can tolerate a high level of risk over 10 years.

Intended to be suitable for

Investors who have a 10 years-plus investment time horizon and are prepared to accept high volatility to pursue potentially greater long-term returns by investing predominantly in growth assets.

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 3.5% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Standard Risk Measure

Risk band: 6

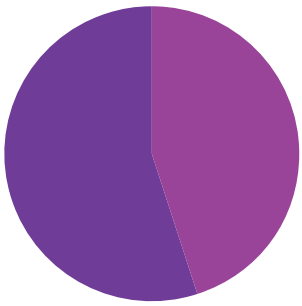
Risk label: High

Estimated number of negative annual returns over any 20-year period: 4 to less than 6.

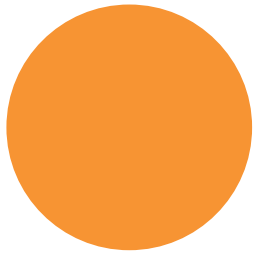
Recommended minimum investment timeframe

Long (10+ years).

Investment strategy



Growth vs Defensive split



- 100% Growth
- 0% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	45	30-60
Overseas Shares	55	40-70
Cash	0	0-15

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SINGLE ASSET - SHARES CONTINUED...

Overseas Shares

Investment overview

The Overseas Shares sector option provides a high-growth-oriented investment strategy predominantly invested in overseas shares.

Intended to be suitable for

Investors seeking higher returns over the long term (minimum 10+ years), through exposure to the global share market.

Investment objectives

Return: Over rolling ten-year periods, having a 50% probability of achieving a member investment return after fees and taxes equivalent to CPI + 4.5% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Standard Risk Measure

Risk band: 6

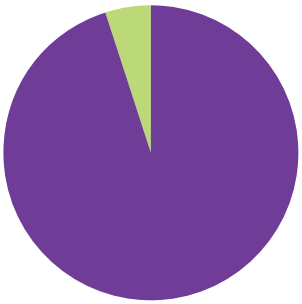
Risk label: High

Estimated number of negative annual returns over any 20-year period: 4 to less than 6.

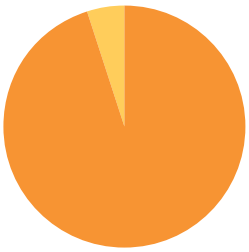
Recommended minimum investment timeframe

Long (10+ years).

Investment strategy



Growth vs Defensive split



- 95% Growth
- 5% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Overseas Shares	95	85-100
Cash	5	0-15

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SINGLE ASSET - SHARES CONTINUED...

Passive International Shares

Investment overview

The Passive International Shares option invests in international shares using a passive approach.

Intended to be suitable for

Investors seeking higher returns over the long term (minimum 10+ years), through exposure to the international share market.

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 3% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Standard Risk Measure

Risk band: 6

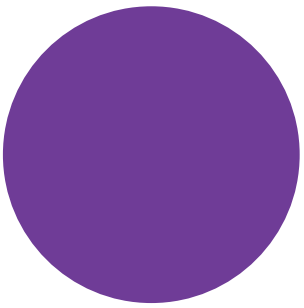
Risk label: High

Estimated number of negative annual returns over any 20-year period: 5 to less than 7.

Recommended minimum investment timeframe

Long (10+ years).

Investment strategy

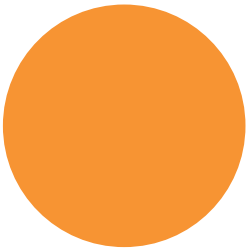


Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Overseas Shares	100	90-100
Cash	0	0-10

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

Growth vs Defensive split



- 100% Growth
- 0% Defensive

SINGLE ASSET - SHARES CONTINUED...

Hedged International Shares

Investment overview

Hedged International Shares invests in international shares using a multi-manager approach. Returns are hedged back into Australian dollars.

Intended to be suitable for

Investors seeking higher returns over the long term (minimum 10+ years), through exposure to the international share market.

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 3% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Standard Risk Measure

Risk band: 7

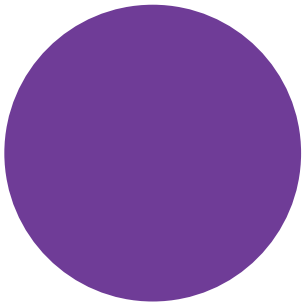
Risk label: Very High

Estimated number of negative annual returns over any 20-year period: 6 or greater.

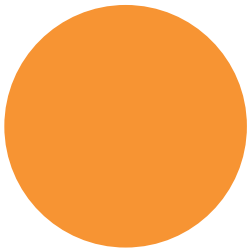
Recommended minimum investment timeframe

Long (10+ years).

Investment strategy



Growth vs Defensive split



- 100% Growth
- 0% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Overseas Shares	100	90-100
Cash	0	0-10

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SINGLE ASSET - SHARES CONTINUED...

Emerging Markets Shares

Investment overview

Emerging Markets Shares invests mainly in growth assets, mainly emerging markets. It is designed for members who want exposure to growth assets and can tolerate a high level of risk over 10 years.

Intended to be suitable for

Investors seeking higher returns over the long term (minimum 10+ years), through exposure to the Emerging Markets share market.

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 4% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Standard Risk Measure

Risk band: 7

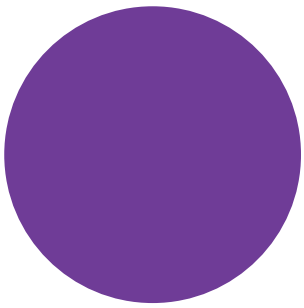
Risk label: Very High

Estimated number of negative annual returns over any 20-year period: 5 to less than 7.

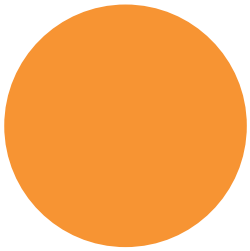
Recommended minimum investment timeframe

Long (10+ years).

Investment strategy



Growth vs Defensive split



- 100% Growth
- 0% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Overseas Shares	100	80-100
Cash	0	0-20

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SINGLE ASSET - SHARES CONTINUED...

Sustainable Future Shares

Investment overview

The Sustainable Future Shares sector option provides a high-growth-oriented investment strategy predominantly invested in Socially Responsible Australian shares#.

Intended to be suitable for

Investors seeking higher returns over the long term (minimum 10+ years), through exposure to Socially Responsible Australian shares.

Investment objectives

Return: Over rolling ten-year periods, having a 55% probability of achieving a member investment return after fees and taxes equivalent to CPI + 4.5% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Standard Risk Measure

Risk band: 6

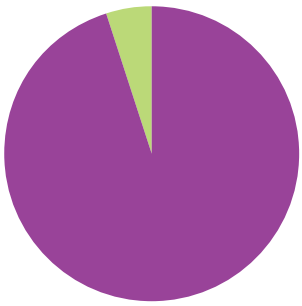
Risk label: High

Estimated number of negative annual returns over any 20-year period: 4 to less than 6.

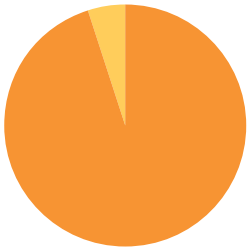
Recommended minimum investment timeframe

Long (10+ years).

Investment strategy



Growth vs Defensive split



- 95% Growth
- 5% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares#	95	85-100
Cash	5	0-15

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

The managers invest predominantly in Australian shares, but have the capability to allocate a small portion to overseas share markets.

Note: Before making a decision to invest in the Sustainable Future Shares option, you should also read further information about this option on page 39.

SINGLE ASSET CLASS PROPERTY AND INFRASTRUCTURE

Property

Investment overview

The Property sector option provides a growth-oriented investment strategy predominantly invested in property.

Intended to be suitable for

Investors seeking moderate investment returns over the medium to long term (minimum 5-10 years) through exposure to property and property related securities.

Investment objectives

Return: Over rolling ten-year periods, having a 60% probability of achieving a member investment return after fees and taxes equivalent to CPI + 3.5% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 4.

Standard Risk Measure

Risk band: 5

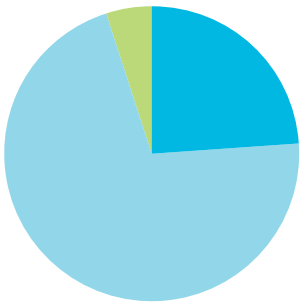
Risk label: Medium to High

Estimated number of negative annual returns over any 20-year period: 3 to less than 4.

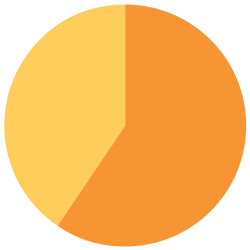
Recommended minimum investment timeframe

Medium to long (5-10 years).

Investment strategy



Growth vs Defensive split



- 59.5% Growth
- 40.5% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Property (Overseas)	24	10-40
Property (Australian)	71	45-95
Cash	5	0-30

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SINGLE ASSET - PROPERTY AND INFRASTRUCTURE CONTINUED...

Global Listed Property

Investment overview

Global Listed Property invests in global listed property securities using a multi-manager approach.

Intended to be suitable for

Investors seeking higher returns over the long term (minimum 10+ years), through exposure to property and property-related securities.

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 2.5% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Standard Risk Measure

Risk band: 6

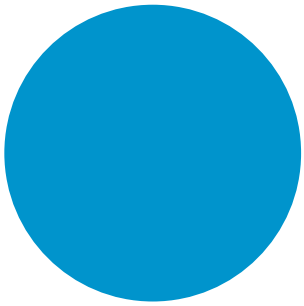
Risk label: High

Estimated number of negative annual returns over any 20-year period: 4 to less than 6.

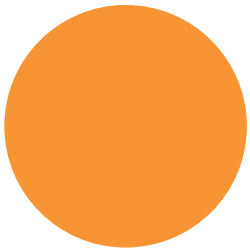
Recommended minimum investment timeframe

Long (10+ years).

Investment strategy



Growth vs Defensive split



- 100% Growth
- 0% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Property	100	90-100
Cash	0	0-10

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

Global Listed Infrastructure

Investment overview

Global Listed Infrastructure invests in listed infrastructure securities using a multi-manager approach.

Intended to be suitable for

Investors seeking higher returns over the long term (minimum 10+ years), through exposure to infrastructure and infrastructure-related securities.

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 2.75% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Standard Risk Measure

Risk band: 7

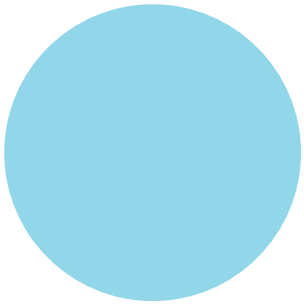
Risk label: Very High

Estimated number of negative annual returns over any 20-year period: 5 to less than 7.

Recommended minimum investment timeframe

Long (10+ years).

Investment strategy

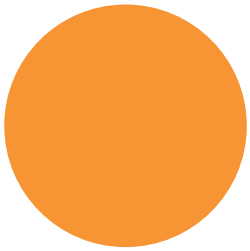


Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Infrastructure	100	90-100
Cash	0	0-10

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

Growth vs Defensive split



- 100% Growth
- 0% Defensive

SINGLE ASSET - OTHER CONTINUED...

Fixed Interest

Investment overview

The Fixed Interest sector option provides a conservative investment strategy predominantly invested in fixed interest.

Intended to be suitable for

Investors seeking an income-based return above inflation and cash over the medium-term (1-5 years) through exposure to Australian and global fixed interest markets.

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return after fees and taxes equivalent to CPI + 2% p.a.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 20.

Standard Risk Measure

Risk band: 2

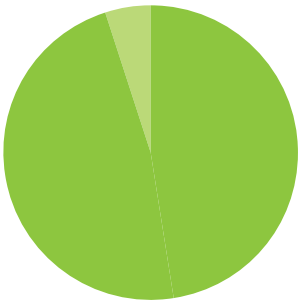
Risk label: Low

Estimated number of negative annual returns over any 20-year period: 0.5 to less than 1.

Recommended minimum investment timeframe

Medium (1-5 years).

Investment strategy



Growth vs Defensive split

100% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Fixed Income	95	70-100
Cash	5	0-30

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

Cash

Investment overview

The Cash sector option aims at providing capital preservation and secure investment returns through a 100% investment in cash.

Intended to be suitable for

Investors seeking stable returns over the short term (0-1 year) through a 100% investment in cash.

Investment objectives

Return: Over rolling two-year periods, having a 90% probability of achieving a member investment return after fees and taxes equivalent to outperforming the RBA cash rate.

Risk: The estimated chance that negative returns will occur in any financial year is negligible.

Standard Risk Measure

Risk band: 1

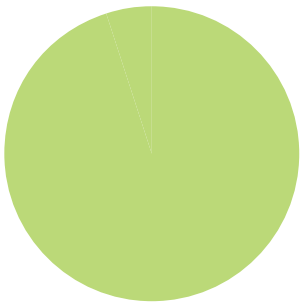
Risk label: Very Low

Estimated number of negative annual returns over any 20-year period: Less than 0.5.

Recommended minimum investment timeframe

Short (0-1 year).

Investment strategy



Growth vs Defensive split

- 0% Growth
- 100% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Cash	100	100-100

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

DIRECT INVESTMENT

ASX300 Listed Shares, Exchange Traded Funds (ETFs) and Term Deposits

Investment overview

The Direct Investment option allows individual members to take greater control and manage how their super is invested, providing members with choice and the flexibility to make the investment decisions themselves. As the asset mix of this option is not set or managed by Media Super and is instead selected by the member, the investment objectives – both return and risk – are the responsibility of individual members.

Intended to be suitable for

Members can choose a mix of growth assets (ASX300 listed shares and ETFs) and defensive assets (term deposits). These types of assets are capable of supporting a range of return objectives, from conservative to aggressive, so that an individual member can set a risk and return objective appropriate to their own situation.

Investment objectives

The types of assets offered are capable of supporting a range of risk objectives, from low to very high risk, so that an individual member can set a risk and return objective appropriate to their own situation and risk appetite.
In particular, the likelihood of a negative return will vary, depending on each member's chosen allocation to ASX300 listed shares, ETFs and term deposits.

For more information please read the *Direct Investment Guide* available at **mediasuper.com.au/pds**.

ASX300 listed shares

Investment objectives

The objective will be set by the member as appropriate to their own situation and risk appetite.

Return: Returns may be made via stock dividends and increased share values.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Recommended minimum investment timeframe

Long (10+ years)

Standard Risk Measure

Risk band: 7

Risk label: Very High

Estimated number of negative annual returns over any 20-year period: 6 or greater.

ETFs

Investment objectives

The objective will be set by the member as appropriate to their own situation and risk appetite.

Return: Returns are intended to track market performance, before fees and charges, of a defined group of assets.

Risk: The estimated chance that negative returns will occur in any financial year is less than 1 in 3.

Recommended minimum investment timeframe

Long (10+ years)

Standard Risk Measure

Risk band: 6

Risk label: High*

Estimated number of negative annual returns over any 20-year period: Please see note**

Term deposits

Investment objectives

The objective will be set by the member as appropriate to their own situation and risk appetite.

Return: Returns achieved on capital, via a fixed interest rate over a fixed term.

Risk: The estimated chance that negative returns will occur in any financial year is negligible.

Recommended minimum investment timeframe

Short (0-1 year)

Standard Risk Measure

Risk band: 1

Risk label: Very Low

Estimated number of negative annual returns over any 20-year period: less than 0.5.

*The levels of risk for ETFs will vary depending on the ETF chosen but because ETFs are listed, risk can be categorised as 'High' or 'Medium to High'. For more information, refer to the Investment Profile for any ETF you are considering via the secure member online account or read the PDS for the ETF on the ETF provider's website.
**Estimated frequency of negative annual returns of an ETF will depend on the risk profile of the individual ETF and the underlying investment mix. ETFs are traded on the ASX, so the expected frequency can be similar to shares, however diversification within the ETF can reduce volatility. For more information, refer to the PDS for the ETF on the ETF provider's website.

Important: Certain limits and restrictions apply. For example, a maximum of 90% of your total account balance can be invested in the Direct Investment option. Before making a decision to invest in the Direct Investment option, you should also read the *Direct Investment Guide* available at **mediasuper.com.au/pds**.

LIFECYCLE

SmartPath (available to Super members only)

SmartPath has a 'whole of life' approach to investing by combining different types of assets, the proportions of which are changed automatically for you as you get older.

Members can take comfort knowing that while you are working and carving out a career, your super is being invested in an investment strategy that is designed and actively managed for your age group, with the aim of providing a sustainable income for retirement.

How does it work?

SmartPath is designed to meet members' changing needs as you age. You are placed in a option based on your date of birth with the options grouped into five-year age bands.

For example, younger members commencing their retirement savings journey will start with an allocation of approximately 90% growth assets.

As they get older, they will automatically and gradually `glide' from a growth-oriented investment strategy to a balanced strategy (as shown below). This is done to help reduce the volatility of investment returns before you retire. For the options that are gliding, the asset allocation changes each year on 1 January.*

Investment strategies for each age band are carefully considered in regards to likely risk tolerance, liquidity needs, opportunities for tax efficiency and income requirements.

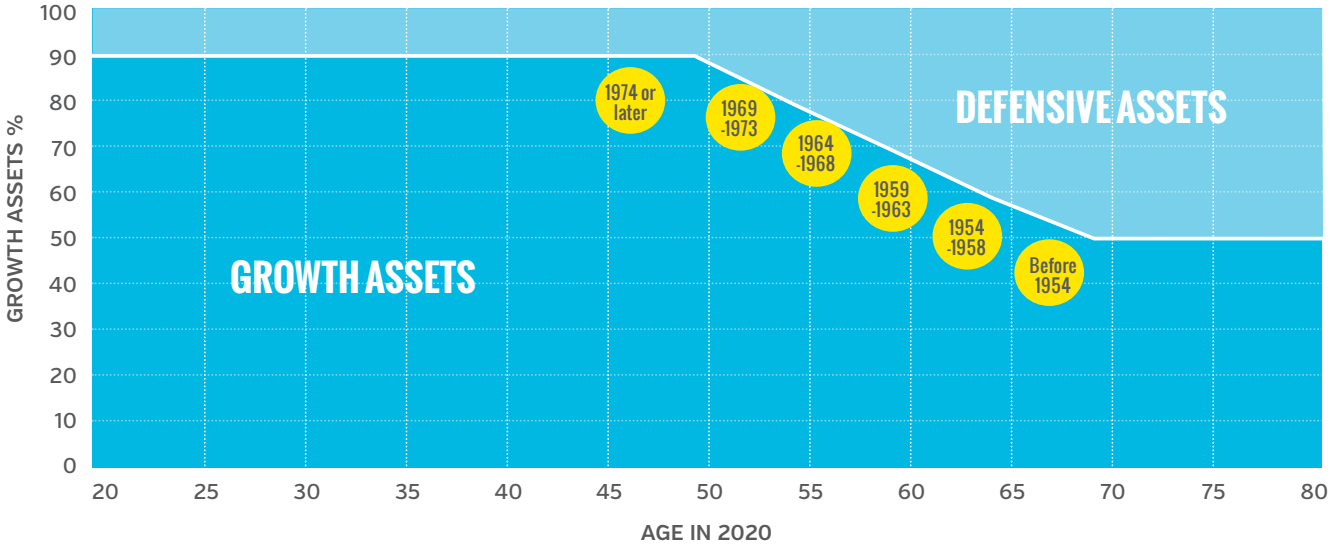
To get started in SmartPath, review the option for the year you were born as set out on the following pages. When you select SmartPath as your investment option, either through your Media Super online account or via the Investment choice form, you'll be automatically be placed into the age band based on your date of birth.

* The asset allocations disclosed on the following pages are as at the publication date of this document. Asset allocations that glide on 1 January will be available at **mediasuper.com.au/smartpath**.

Exposure to growth assets

The graph below illustrates the reduction in growth assets in a member's SmartPath investment as a member gets older. SmartPath begins with an asset allocation at 89% growth assets and reduces over time to 49% growth assets (using the current asset allocations as at the date of this document).

Glidepath in 2020 – growth assets vs year of birth



SMARTPATH CONTINUED...

Born 1974 or later

Includes the following member age groups: 2019-2023, 2014-2018, 2009-2013, 2004-2008, 1999-2003, 1994-1998, 1989-1993, 1984-1988, 1979-1983, 1974-1978.

Investment overview

This option is designed for members born on or after 1 January 1969 and is invested mainly in growth assets.

Recommended minimum investment timeframe

Medium to long (minimum 8+ years).

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return equivalent to CPI + 3.75% p.a.

Risk: The estimated chance that negative returns will occur in any financial year being less than 1 in 4.

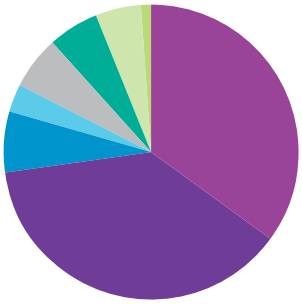
Standard Risk Measure

Risk band: 6

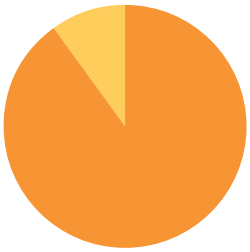
Risk label: High

Estimated number of negative annual returns over any 20-year period: 4 to less than 6.

Investment strategy



Growth vs Defensive split



- 90% Growth
- 10% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	35	20-50
Overseas Shares	38	25-55
Property (Australian)	6.5	0-20
Property (Overseas)	3	0-15
Infrastructure (Listed)	0	0-10
Infrastructure (Unlisted)	6	0-20
Other	5.5	0-15
Fixed Income (Australian)	0	0-20
Fixed Income (Overseas)	5	0-30
Cash	1	0-15

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SMARTPATH CONTINUED...

1969-1973

Investment overview

This option is designed for members born between 1 January 1969 and 31 December 1973 and is invested mainly in growth assets.

Recommended minimum investment timeframe

Medium to long (minimum 8+ years).

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return equivalent to CPI + 3.75% p.a.

Risk: The estimated chance that negative returns will occur in any financial year being less than 1 in 4.

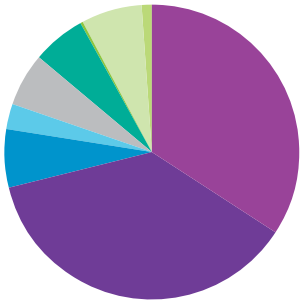
Standard Risk Measure

Risk band: 6

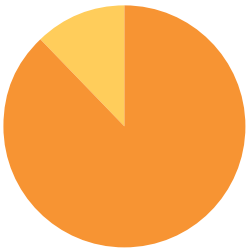
Risk label: High

Estimated number of negative annual returns over any 20-year period: 4 to less than 6.

Investment strategy



Growth vs Defensive split



- 88% Growth
- 12% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	34.2	20-50
Overseas Shares	37	25-55
Property (Australian)	6.4	0-20
Property (Overseas)	2.8	0-15
Infrastructure (Listed)	0	0-10
Infrastructure (Unlisted)	5.9	0-20
Other	5.7	0-15
Fixed Income (Australian)	0.4	0-20
Fixed Income (Overseas)	6.6	0-30
Cash	1	0-15

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SMARTPATH CONTINUED...

1964-1968

Investment overview

This option is designed for members born between 1 January 1964 and 31 December 1968 and is invested mostly in growth assets.

Recommended minimum investment timeframe

Medium to long (minimum 8+ years).

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return equivalent to CPI + 3.5% p.a.

Risk: The estimated chance that negative returns will occur in any financial year being less than 1 in 5.

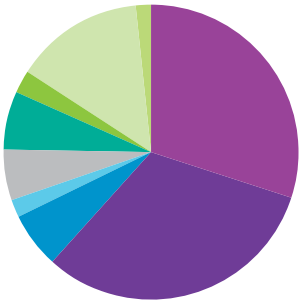
Standard Risk Measure

Risk band: 5

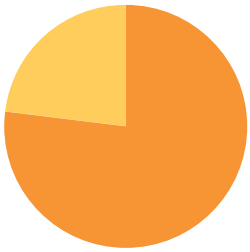
Risk label: High

Estimated number of negative annual returns over any 20-year period: 4 to less than 6.

Investment strategy



Growth vs Defensive split



- 78% Growth
- 22% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	30	15-45
Overseas Shares	31.8	20-50
Property (Australian)	6	0-20
Property (Overseas)	2	0-10
Infrastructure (Listed)	0	0-10
Infrastructure (Unlisted)	5.5	0-20
Other	6.5	0-20
Fixed Income (Australian)	2.4	0-20
Fixed Income (Overseas)	14.2	0-30
Cash	1.6	0-15

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SMARTPATH CONTINUED...

1959-1963

Investment overview

This option is designed for members born between 1 January 1959 and 31 December 1963 and is invested mostly in growth assets.

Recommended minimum investment timeframe

Medium to long (minimum 7+ years).

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return equivalent to CPI + 3.25% p.a.

Risk: The estimated chance that negative returns will occur in any financial year being less than 1 in 5.

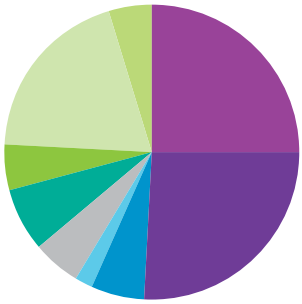
Standard Risk Measure

Risk band: 5

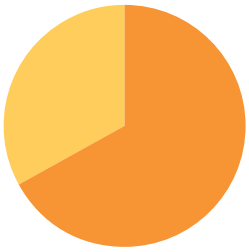
Risk label: Medium to high

Estimated number of negative annual returns over any 20-year period: 3 to less than 4.

Investment strategy



Growth vs Defensive split



- 68% Growth
- 32% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	25	10-40
Overseas Shares	26	15-45
Property (Australian)	5.8	0-20
Property (Overseas)	2	0-10
Infrastructure (Listed)	0	0-10
Infrastructure (Unlisted)	5.3	0-20
Other	6.9	0-20
Fixed Income (Australian)	5	0-25
Fixed Income (Overseas)	19.4	0-35
Cash	4.6	0-20

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SMARTPATH CONTINUED...

1954-1958

Investment overview

This option is designed for members born between 1 January 1954 and 31 December 1958 and is invested around 58% in growth assets.

Recommended minimum investment timeframe

Medium (minimum 6+ years).

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return equivalent to CPI + 3.25% p.a.

Risk: The estimated chance that negative returns will occur in any financial year being less than 1 in 6.

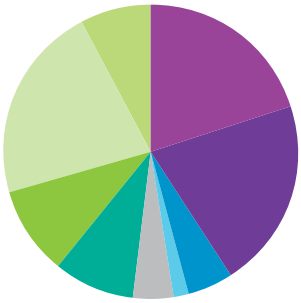
Standard Risk Measure

Risk band: 4

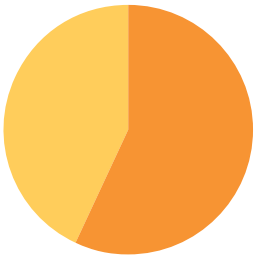
Risk label: Medium

Estimated number of negative annual returns over any 20-year period: 2 to less than 3.

Investment strategy



Growth vs Defensive split



- 58% Growth
- 42% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	20	5-35
Overseas Shares	21	10-40
Property (Australian)	5	0-20
Property (Overseas)	1.6	0-10
Infrastructure (Listed)	0	0-10
Infrastructure (Unlisted)	4.5	0-20
Other	8.9	0-20
Fixed Income (Australian)	9.6	0-30
Fixed Income (Overseas)	21.8	0-40
Cash	7.6	0-20

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

SMARTPATH CONTINUED...

Before 1954 (Includes the following member age groups: 1949-1953, 1944-1948)

Investment overview

This option is designed for members born before 1 January 1954 and is invested in both growth and defensive assets.

Recommended minimum investment timeframe

Medium (minimum 5+ years).

Investment objectives

Return: Over rolling ten-year periods, having a 65% probability of achieving a member investment return equivalent to CPI + 3% p.a.

Risk: The estimated chance that negative returns will occur in any financial year being less than 1 in 9.

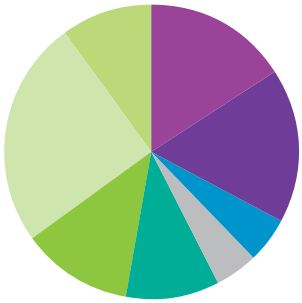
Standard Risk Measure

Risk band: 3

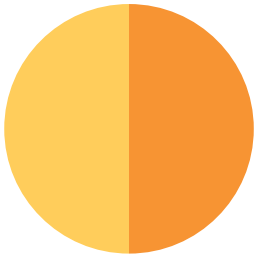
Risk label: Low to medium

Estimated number of negative annual returns over any 20-year period: 1 to less than 3.

Investment strategy



Growth vs Defensive split



- 50% Growth
- 50% Defensive

Strategic asset allocation and long-term range as at 1 April 2020

Asset class type	Benchmark strategic asset allocation (%)	Asset allocation range (%)
Australian Shares	16	0-35
Overseas Shares	17	0-35
Property (Australian)	5	0-20
Property (Overseas)	0	0-10
Infrastructure (Listed)	0	0-10
Infrastructure (Unlisted)	4.5	0-20
Other	10.5	0-20
Fixed Income (Australian)	12	0-30
Fixed Income (Overseas)	25	5-50
Cash	10	0-25

The percentages in the above table (Benchmark strategic asset allocation %) set out the strategic asset sector allocation of this option. The actual sector allocation will vary in line with the investment managers' day-to-day sector allocation decisions. The long-term allocation ranges are set out in the table (Asset allocation range %).

3. MAKING A CHOICE

You can invest in any option or mix of options that best suits your needs. It's your choice. When choosing an investment option, take some time to consider your needs and circumstances, to ensure that you make the best choice for your situation.

4 simple steps

1. How much control do you want?

You can take charge and make the investment decisions, or you can leave it up to us.

2. Think about your needs and the risks associated with a particular investment

How long before you retire? Are you comfortable taking risk? These are some of the questions you need to consider.

3. Compare the different investment options

Read through the options carefully (pages 9 to 37) and think about the investment strategy and objectives of each one and if it's right for you.

4. Make a choice

When you join Media Super, you can make your investment choice using the *Investment choice form.*

Note: The higher your exposure to growth assets, such as shares and property, the riskier your portfolio will be over any given period, but you are increasing the likelihood of achieving higher returns over the long term.

Need help?

We recommend seeking advice from a qualified financial planner when choosing investment options. A financial planner can develop an investment strategy for you that best meet your needs and circumstances.

Media Super Financial Planners* – our state-based planners are available for face-to-face appointments. Find your planner at **mediasuper.com.au/financial-planners** or call our Super Helpline **1800 640 886** to be put in touch.

Over the phone advice – we have a highly trained team of telephone-based advisers** who can assist you with limited personal advice about contribution strategies, insurance and investment options available to you within Media Super. Simply call our Super Helpline **1800 640 886**.

*Media Super Financial Planners are Authorised Representatives of Industry Fund Services Limited (IFS) ABN 54 007 016 195 AFSL No 232514.

**Helpline Advisers providing general or limited advice are representatives of Mercer Outsourcing (Australia) Pty Ltd (MOAPL) ABN 83 068 908 912, AFS Licence No 411980.

Changing your investment option

When you first join Media Super, you can select your investment option or mix of options using the *Investment choice form*.

If you are an existing member, you can change or switch the investment options you have selected for your existing account balance or your future contributions and transfers in (or do both) by:

- logging into your account online at **mediasuper.com.au**, or
- completing an *Investment choice form*, available from **mediasuper.com.au/forms**.

When will the change be effective?

Once a request to change your investment option(s) is received by Media Super, it cannot be withdrawn. Your investment choice will be processed on the Wednesday following the week it is received. The week is determined from Monday to Sunday. Any investment request received by us between Monday and Sunday will be processed on the Wednesday of the following week. If for any reason updated unit prices are not available on the Wednesday, your switch will be processed on the first subsequent business day that updated unit prices become available. The unit prices on the day your switch is processed will be applied.

What is the cost of changing my investment?

Each time you change the investment mix for your existing balance, a $30 switching fee is charged to your account. The switching fee is waived for the first switch for new members (within their first 30 days of joining Media Super) and for changes which only affect future contributions and transfers.

Unitised investments explained

Our investment options operate using a unitised system. You may be familiar with this kind of system if you have invested money in a personal investment product such as a managed fund.

Buying and selling units

When you make a contribution, switch your investment option or change your mix of investment options, you are in effect buying and selling units, and as such, your investment will be affected by the buy and sell price that applies on the date your switch is made.

Unit prices go up or down, depending on the value of the investments within each investment option. Influences include rental receipts, distributions, dividends, fixed interest payments and asset values.

When are unit prices updated?

Unit prices for each of Media Super's investment options are calculated weekly and are available at **mediasuper.com.au/fund-performance**. The 'buy' price is what it costs to buy one unit of your chosen investment option by making a contribution or switching your investments to that option. The 'sell' price is how much you receive for selling one unit by switching out of the option or withdrawing your balance.

Please refer to the *Additional Information about your Super Guide* available at **mediasuper.com.au/pds** for further information.

Derivatives

Derivatives are used from time to time by Media Super to reduce risk or to gain certain market exposure. Our use of derivatives is primarily for risk management and hedging purposes and not for speculative purposes.

What are derivatives?

A derivative is a financial contract which derives its value from the value or price of one or more underlying assets. The most common underlying assets include shares, bonds, commodities, currencies and interest rates.

Why use derivatives?

Derivatives may be used to reduce risk in a portfolio or to change, gain or reduce market exposure. For example, derivatives may be used during a transition between investment managers that deal in a particular asset class to allow us to maintain market exposure in the asset class for the short period of time between the return of cash from one manager and its reinvestment with the new manager.

An investor can also benefit from derivatives in ways that can't be easily replicated by physical securities, especially when particular assets may be restricted by market liquidity. For example, it is difficult to purchase AUD$300 million worth of Australian shares without the price moving, but this can easily be done with derivatives, as the volume of trades of this size is substantially larger.

Are there any risks?

Risks involved in using derivatives include:

- variation in value of the derivative
- its failure to move in line with the underlying market, resulting in a lesser return or greater loss. This risk is known as 'Basis Risk'
- enhanced volatility with the potential for illiquidity and/or mispricing
- inability to meet payment obligations as they fall due, and
- failure of a counterparty to honour its contractual obligations.

How does Media Super use derivatives?

Media Super does not invest directly in derivatives; rather, external investment managers make those investments (which will be held in the name of Media Super). An external investment manager may use derivatives as part of their management of the portfolio, or Media Super may direct the manager to use derivatives in a certain way and at a certain level.

The derivatives we employ may include, but are not restricted to, futures, forwards, options and swaps. We mainly use derivatives for the investment options listed in the following table.

INVESTMENT OPTION	WHY WE USE THEM	EXAMPLE
IN OUR PRE-MIXED OPTIONS › Balanced	Our Balanced (MySuper) Option incorporates a Portfolio Protection program which utilises Put Options. These Options help to dampen downside losses in the event share markets fall.	Put Options increase in value as shares fall, which can be used to offset losses against Media Super's physical share holdings during periods of market stress.
IN OUR PRE-MIXED OPTIONS › Balanced › Indexed Balanced › High Growth › Growth › Stable	On occasions we may use Futures to rebalance a portfolio. Each investment option must be kept at the relevant asset allocation and within the ranges set out in this guide.	If you have an exposure benchmark to Australian shares of 22% and the actual asset allocation drifts to 25%, futures can be used to rebalance the exposure back to the intended weight efficiently.
IN OUR PRE-MIXED OPTIONS › Balanced › High Growth › Growth › Stable **IN OUR SINGLE ASSET CLASSES** › Overseas Shares › Fixed Interest	When we have exposure to a foreign currency (FX).	If you purchased AUD $10K of shares in a foreign company and if after you purchased those shares, the exchange rate for AUD went up, then you would be at risk of incurring a loss.

4. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS

Media Super selects investments and investment managers primarily on the basis of return and risk considerations for its members. However, the Fund does understand that Environmental, Social and Governance (ESG) considerations can impact members' long-term investment returns.

Media Super understands that investments and investment managers that have poor ESG characteristics may result in elevated risks that could negatively affect the value of the Fund's investments. Therefore, Media Super incorporates ESG considerations into the investment decision making process when appointing, maintaining, monitoring or removing investment managers, and for specific investments across the Fund when applicable.

While Media Super integrates ESG considerations in its investment process, other than with respect to the negative screens detailed below, it does not hold predetermined views regarding what constitutes an ESG consideration, or as to how ESG considerations should be incorporated into its investment processes including what ESG factors are prioritised. Assessments are considered on a case by case basis, with no pre-determined assessment criteria, measures or methodology.

Where applicable, Media Super's investment managers factor ESG considerations into their decision-making process. Media Super does not specify to what extent each individual investment manager factor ESG considerations into their investment processes (including the extent to which such considerations will be applied with respect to various asset classes), and this is determined by each investment manager's own policies and procedures.

Media Super has no set approach or timeframe for monitoring or reviewing adherence to any applicable methodology for taking into account ESG considerations.

Media Super has made the decision to exclude on ESG grounds financial ownership exposure to companies where its core business is associated with:

- The production of tobacco products
- The production of cluster munitions

These negative screens only relate to direct exposures, and is considered at the parent company level. Implementation of the exclusions may be affected by the accessibility and accuracy of data or an error by an external service provider. This may result in inadvertent holdings in companies we are seeking to avoid.

Media Super and its investment managers determine the required action to be taken when an investment no longer matches the investment considerations on a case by case basis, in accordance with the investment manager's own policies and procedures.

Media Super's Investment Beliefs, Climate Change Position Statement and proxy voting policy can be accessed at **mediasuper.com.au**.

Sustainable Future Shares option

Media Super's Sustainable Future Shares investment option was introduced in 2005 and appoints investment managers which have a specific mandate to consider ESG considerations as part of meeting the investment objectives of the option.

The Trustee has no pre-determined views regarding what constitutes an ESG consideration or how (or the extent to which) these ESG considerations should be incorporated into the investment practices for this option. The considerations only apply to the Australian Shares segment of the option and not the Cash segment.

Investment managers are appointed to achieve the investment objectives with key underlying managers being reviewed at least semi-annually by Media Super (or its consultants) for adherence to the criteria and methodology. The managers appointed may vary from time to time, and there is currently one investment manager engaged to undertake socially responsible investing.

We may change the appointment of investment managers at any time, without prior notification to members. The appointed manager uses a screening process to identify companies with a 'sustainable' approach to the production of goods or services. The sustainability criteria employed includes areas such as environmental issues, employment practices, corporate governance, and ethics.

We have also included a requirement that all companies that source more than 20% of their operational revenue from coal, oil and gas and/or any mining company that derives more than 20% of their energy consumption from coal, oil and gas are excluded from the Manager's investment universe.

Additional managers have been appointed to manage assets for the Cash segment.

The criteria and methodology detailed below are those of the investment manager* and not Media Super.

Australian Shares

The Australian Shares segment of the Sustainable Future Shares investment option is currently managed by one investment manager. The manager has a mandate to take labour standards or environmental, social or ethical considerations into account when selecting, retaining and realising investments, as detailed below. Note that from time to time the Manager may alter its methodology or criteria.

Methodology**

How the manager selects the companies that they invest in for the Australian Shares segment is as follows:

Best of sector

The manager invests in the shares of Australian companies that have been suitably ranked against a list of environmental and social criteria (see 'Assessment Criteria' following).

Companies within each industry sector of the S&P/ASX200 are researched.

The manager assigns:

1. an environmental and social ranking, and
2. a financial ranking, to each company researched.

These rankings are taken into account when the manager invests, using a 'best of sector' basis. This approach means that companies with higher rankings within the individual sectors are favoured.

Assessment criteria

The criteria that the manager employs to select companies to invest in for the Australian Shares segment include:

- The Fund is excluded from investing in all companies that source more than 20% of their operational revenue from coal, oil and/or gas. This includes exploration, production, mining or transportation of coal, oil and gas; and contracting or supplying to companies involved in the exploration, production, mining or transportation of coal, oil and gas.
- Environmental management including best-practice environmental techniques, environmental performance monitoring, and consultative processes to reduce the significant impact that some activities may have on the environment.
- Business ethics and conduct, including incorporation of codes of conduct into a business, regular and appropriate training, whistle-blower policies, and ethical conduct of employees, officers and engagement of community stakeholders.
- Human capital management, including equal opportunity and anti-discrimination policies, staff incentives, employee and industrial relations policies. Also development and training of staff benefits, and human capital management performance.
- Workplace health and safety, including health and safety practices, management of contractors and suppliers, regular and appropriate training, and workplace health and safety performance.

* If an investment no longer matches the stated investment policy, then each approach is determined on a case-by-case basis and there is no fixed timeframe for this process.

** Our appointed Manager monitors the portfolio on a monthly basis for adherence to criteria and methodology.

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FOR MORE INFORMATION

Super Helpline **1800 640 886**
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