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19 | annual  
report



Your journey,  
your future,  
your super  
fund for life.



**TelstraSuper is an award-winning, profit-to-members superannuation fund. Membership is open to current and former Telstra Group employees (including Telstra approved employers), and their eligible family members.**

#### **What we offer**

An exceptional range of benefits to help our members achieve their retirement objectives, including:

- competitive fees
- a broad range of investment options, including the ability to invest in the ASX300, Exchange Traded Funds (ETFs) and a range of term deposits
- profits back to you, we're a profit-to-members fund which means profits go back to you instead of shareholders
- responsible investors – we consider environmental, social and governance factors when making investments
- a competitively priced retirement income stream for those already in, or close to, retirement
- a range of flexible and affordable insurance options
- access to expert financial advice through TelstraSuper Financial Planning<sup>†</sup>
- 24/7 access to check and manage super accounts via SuperOnline and member education seminars to help our members get the most out of their super.

<sup>†</sup> TelstraSuper Financial Planning is wholly owned by Telstra Super Pty Ltd, trustee for the Telstra Superannuation Scheme Pty Ltd (TelstraSuper). Telstra Super Pty Ltd has engaged TelstraSuper Financial Planning to provide financial planning services to TelstraSuper members and their eligible family members.



#### **About this Annual Report**

This Annual Report is for the 2018/2019 financial year and has been prepared by Telstra Super Pty Ltd for the Telstra Superannuation Scheme (TelstraSuper). The details in this report are accurate based on information known as at the time of printing. Any general advice in this report has been prepared without taking into account your objectives, financial situation or needs. Before you act on any general advice in this report, you should consider whether it's appropriate to your individual circumstances. Before making any decisions, you should obtain and read the relevant Product Disclosure Statement which is available on our website at [telstrasuper.com.au](http://telstrasuper.com.au) or by calling **1300 033 166**.

# Your fund for life

TelstraSuper Annual Report 2018/19



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# From the Chief Executive Officer

Welcome to TelstraSuper's 2018/19 Annual Report. Included in this report is an update on what we've achieved during the year and how we're planning to deliver further value for members over the coming year.

Through all the parts of TelstraSuper pulling together, we have maintained our Platinum SuperRatings rating for the fourteenth consecutive year, demonstrating the strong value and high level of services we continue to provide for TelstraSuper members.

## Fund for life

It's been another year of strong performance for TelstraSuper members. We're pleased to say that three of our investment options, which the majority of our members are invested in (Growth, Balanced, and Conservative), are ranked by SuperRatings in the top 10 for their investment performance over 10 years. This is as at 30 June 2019 when compared with the performance of similar types of investment options in other funds surveyed by SuperRatings\*.

Our funds under management are now at over \$21 billion, maintaining our size and scale, as well as our strong position as one of Australia's leading profit-to-member super funds.

A key focus for the team over the year has been to support our members facing work changes as part of the Telstra 2022 project. Telstra's T2022 strategy won't directly affect the size of TelstraSuper. Once you're a member of TelstraSuper, you can stay a member for life – regardless of where you work. We find that many of our members choose to stay with us for life to make the most of our many benefits. From a new dedicated portal full of resources on the website to site visits and webinars, we've been working to ensure members affected

by T2022 are confident with their finances and understand the options they have to stay with TelstraSuper if their circumstances change.

We also launched the TelstraSuper mobile app and digital member card with great success. Around 10,000 members now access their super information through the mobile app, making it easy to keep track of your super from anywhere in the world.

Other key projects during the year have included implementing a raft of changes that have been made to the super system, including the Protecting Your Super package that sees changes to the way insurance in super works. We continued to run a large education program for affected members to ensure they can make informed decisions about their cover.

## Reviews into superannuation

With all the news about the financial services industry it's important to realise that we always put the focus on members first and foremost and we will continue to do so.

In February we saw the final report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry released.

The aim of the Royal Commission was to investigate misconduct in the financial services sector and bring to account behaviours which have been deemed unacceptable to prevailing community standards. This is aligned with our core value of putting members first and ahead of the interests of any other party. The report

contained nine measures that directly concern super and presents a good opportunity to ensure that the system is delivering for all members.

We also saw a number of proposals to change other aspects of super. This included proposals from the Productivity Commission about default super and Government proposals for changes to insurance, fees and governance.

As a profit-to-members fund, we champion members' best interests in everything we do so we will be watching carefully to ensure that any reform does not disadvantage our membership.

## Fund culture

Super has been firmly in the spotlight during the year, reinforcing the need for a strong fund culture. During the financial year, a group of employees reviewed and relaunched our values to better reflect the ethos of the Fund.

There are five key values that underpin the culture at TelstraSuper: integrity and respect, one team, empowerment with accountability, community focussed and for our members.

These values reflect the profit-to-member structure of the Fund and the strong focus on members' best interests. Importantly, the staff wanted to reflect the community focus which also motivates them in their daily activities.

We are also proud to have been named a 2018/2019 Workplace Gender Equality Agency Employer of Choice for Gender Equality. This citation recognises TelstraSuper's active commitment to achieving gender equality and our leadership in driving positive change for an inclusive workplace. We have a number of initiatives to support staff including gender pay gap analysis, paid super on parental leave and flexibility for all roles.

## TelstraSuper in the community

This year TelstraSuper staff again hosted a range of internal charity events, bringing in guest speakers and raising money for a number of worthy causes. As a Fund we also continued our support for the Women in Super Mother's Day Classic with staff taking part around the country.



2019 saw us grow our community partnerships, including signing on to sponsor the First Nations Foundation Big Super Day Out – an Indigenous outreach event to help Aboriginal and Torres Strait Islander members with their super.

Aboriginal and Torres Strait Islander people face many challenges in accessing superannuation including verification of identity, communication and literacy issues, different cultural practices and relationships, and life expectancy differences. This new relationship demonstrates our commitment to helping all members – including Aboriginal and Torres Strait Islander peoples in remote communities.

#### **Our people**

As many of you will be aware, TelstraSuper Chairman David Leggo completed his final term on 30 June 2019. David served the TelstraSuper board for nine years and has been instrumental in the success of the Fund. On behalf of the team and membership, I thank David for his hugely valuable contribution. Following David's departure we welcome Anne-Marie Corboy who commences her first term as Chair on 1 July 2019. You'll hear from Anne-Marie in our next annual report.

I'd especially like to thank the many long serving staff and executives at TelstraSuper. Without them our continued Platinum SuperRatings status would not be possible.

I'd also like to thank the TelstraSuper team on another successful year and look forward to continuing our success in 2019/20.

**Chris Davies**  
Chief Executive Officer

# From the Chair

Established in 1990, TelstraSuper has always stayed true to its key mission – helping members achieve a financially secure future. The 2018/19 financial year has been no exception, with the Fund again delivering strong overall outcomes for members.

## From strength to strength

The Fund has continued growth in the 2018/19 financial year, maintaining its status as one of Australia's leading profit-to-members superannuation funds. The size and scale of our Fund has enabled us to keep costs down while still delivering a premium offering for members.

Alongside our strong investment returns, we've continued to evolve the services we offer members. This has included enhancing our redundancy services to support members transitioning out of the Telstra workforce.

As a profit-to-members fund, TelstraSuper is always working on ways to deliver better value for members and support them in achieving a financially secure future.

## The current financial services landscape

Amongst the changing financial services landscape, it's an important time to ensure that we keep our super system delivering for members.

The last financial year has seen a number of reviews into superannuation including the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and the Productivity Commission review into the efficiency and competitiveness of superannuation.

Following these reviews – alongside the Federal Budget – there's been a number of proposed changes to the way superannuation works.

With the Federal election result now finalised, we can expect to begin to see some of these proposals put forward in Parliament.

As legislative changes filter through, TelstraSuper is ready to work with members to help ensure they are still in the best possible financial position.

TelstraSuper will continue our advocacy work to ensure our members are not adversely affected by any proposed changes. We do this in a number of ways, including utilising advocacy services from our industry bodies such as the Australian Superannuation Funds Association (ASFA) and the Australian Institute of Superannuation Trustees (AIST). It is through our associations that we push for members' best interests to be at the forefront of all decision making by the Government and regulators.

During the last financial year our industry bodies have represented us on topics including insurance, financial advice, fund governance and retirement adequacy. The common theme has been to ensure any changes are in the best interests of our members.

## Moving our head office

The TelstraSuper Melbourne office will be relocating in mid-2020 to a new building at 130 Lonsdale Street. The new building will maintain our CBD presence while better equipping our teams with the space they need to deliver for you – our members. We look forward to sharing details with you as they evolve.

**A fund  
you can  
trust**

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### **The TelstraSuper Board**

The TelstraSuper Board consists of an equal number of employer and member representatives and an independent Chairperson. This composition ensures the fund is operating in the best interests of members and brings a wide range of skills and experience to the boardroom.

This financial year we said farewell to outgoing employer director Maria Phillips. Maria joined the Board in 2016 and has brought a wealth of knowledge to the position. To replace Ms Phillips, Steven Fousekas has joined the Board as an employer director in December 2018. We also farewelled Shane Murphy as an employee nominated Director after he had been with us for three years. Dahlia Khatab has been nominated to the Board to succeed Shane. We thank both Directors for their strong contribution to the operation of the Fund.

As some of you may be aware, I completed my final term as Chair of TelstraSuper on 30 June 2019. This is in accordance with the Fund rules that state the maximum term for our Chairman is three terms of three years.

I joined TelstraSuper in 2010 and during my tenure I've watched TelstraSuper evolve into a leading profit-to-members super fund with an outstanding value proposition for members. I've always been particularly impressed by the member-centric culture that is led from the top down within the organisation.

I have no doubt that this strong performance will continue under new Chair, Anne-Marie Corboy, who has been appointed effective 1 July 2019.

Anne-Marie is well placed to lead the Board with over 30 years' experience at various organisations. She was also formerly the CEO of HESTA, the largest national superannuation fund for the health and community services

sector, until February 2015. I'm happy to be leaving the Fund in such good hands and in a strong position to deliver on our mission, whilst keeping true to its core values which are more relevant than ever.

Finally I'd like to thank CEO Chris Davies, the Directors of the Fund and the wider TelstraSuper team. It's been a pleasure working with you over the past nine years. Your efforts and dedication have improved the lives of thousands of members and I have no doubt you will continue to do great things together. I wish you all the best for the future.

**David Leggo**  
Chair



# Meet John

**After spending the bulk of his career working for Telstra, John used his redundancy to kick start his retired life - but it wouldn't have been possible without the support of TelstraSuper Financial Planning.**

I'm John. I've spent most of my life working for Telstra, I'm now recently retired and looking forward to enjoying my retirement. I've been married to my wife Glenyce for 40 years. Together we've had three kids and we're also the proud grandparents of five grandkids. I've been told not to expect any more, but we always live in hope! They are the absolute light of our lives.

I joined Telstra as a 17 year old straight out of school. They took me up to the local telephone exchange in Maryborough and I was totally blown away. It was all I ever wanted to do. I walked straight into my dream job and put about 45 years of my working life into Telstra.

# Supporting you wherever life takes you

“Having Vinita in my corner has made me a lot more confident about going into redundancy and setting up for retirement. I would advise anybody who is in the process of a redundancy to get in touch with TelstraSuper Financial Planning.”

I first met Vinita from TelstraSuper Financial Planning in 2009 when she started making visits up to Bendigo to see if any of us needed help. I was always aware that I could be made redundant and she used to say “if you ever get the tap on the shoulder, make me the first person you call”.

Retirement started to get more real for me about a year ago, I didn't want to work until I die. There were quite a few redundancies going on at Telstra and I spoke to Vinita who assured me we could activate the plan if needed. I'd decided that I was ready to go so when a colleague with a young family was offered a redundancy and was devastated, I offered to swap.

Right on the weekend of my 65th birthday on the Friday my redundancy was accepted, as of Monday I was no longer a Telstra employee. Even though it's what I wanted I was still a bit nervous. I gave Vinita a call and we put the plan into action.

TelstraSuper Financial Planning has been able to maximise my Centrelink benefits and minimise my tax. I'll end up with a pretty sizable pension when I thought I wasn't going to get anything. I'm paying for the highest level of advice from Vinita and she's worth every cent for what she's done for us.

Having Vinita in my corner has made me a lot more confident about going into redundancy and setting up for retirement. She is very good at making the complex seem simple. I'm always aware of where I am at the time I visit and where our plan is leading me. I have a booklet of steps that we can check off as they happen so I can see what is happening plus I've always known what to expect with the fees.

I would advise anybody who is in the process of a redundancy to get in touch with TelstraSuper Financial Planning. For me, redundancy was a planned thing but with many people it is quite devastating. You're not in a position where you can think clearly yourself and they can provide help not only with how your money is invested with TelstraSuper but also with dealings with the Centrelink, the tax office, and all the other people dealing with unemployment.

I had a busy life with Telstra and lived and breathed the company – I was always worried that I would end up bored to tears in retirement. So far it's been good. I'm getting all the jobs around the house done, plus we even have a trip to Canada planned later in the year. I've had a lot of people say to me it can take a year or two to get settled and used to retirement, I'm a work in progress.

**Watch John's full story at  
[telstrasuper.com.au/meetjohn](https://telstrasuper.com.au/meetjohn)**

Any general advice in this article has been prepared without taking into account your objectives, financial situation or needs. Before you act on any general advice on this website, you should consider whether it is appropriate to your individual circumstances.

The views expressed in this article are solely those of client who obtained comprehensive advice from TelstraSuper Financial Planning (TSFP) ABN 74 097 777 725, AFS Licence No. 218705 and do not constitute financial advice. An advice fee is payable for comprehensive advice.

The financial advice services provided by TSFP are set out in the Financial Services Guide which is available on the website at [telstrasuper.com.au/fsg](https://telstrasuper.com.au/fsg) or by calling 1300 033 166 between 8.30am and 5.30pm (AEST Monday to Friday).

# Board of directors

Telstra Super Pty Ltd has a Board of Directors that is responsible for the operation of the Fund, and for ensuring TelstraSuper is being managed appropriately.

The Board of Directors ensures that members' interests are duly represented and that the Fund is administered according to the governing rules and applicable legislation. The Board of Directors consists of an equal number of employer and member representatives (referred to as 'Employer Directors' and 'Member Directors') and an Independent Chairman.

TelstraSuper's Pty Ltd Board of Directors for the 2018/2019 financial year is set out here.



**David Leggo** Chairman

Mr Leggo has been involved in the governance of superannuation for over 20 years, both as a Trustee Director and Chairman. He's a respected superannuation leader and was recognised in 2010 as 'Trustee of the Year' by the Australian Institute of Superannuation Trustees.

Mr Leggo spent 35 years of his professional career in the aviation industry, retiring in 2007 from the position of Operations Director, Air Traffic Control at Melbourne Airport.

Mr Leggo was appointed as Chairman of the Trustee Board at TelstraSuper in July 2010.



**Scott Connolly** Member Director  
Appointed June 2016

Mr Connolly is the Assistant Secretary at the Australian Council of Trade Unions (ACTU). He is also a Director at the Union Education Foundation, Secretary / Treasurer for ACTU Education Inc. and a Director at ACTU Organising Centre. Prior to this he worked at the Transport Workers Union (TWU) in various roles for 15 years. He has completed the Trade Union program at Harvard University and has a BA (Hons) Industrial Relations from the University of Sydney.



**Melissa Donnelly** Member Director  
Appointed June 2018

Ms Donnelly is the Deputy Secretary of the Community and Public Sector Union (CPSU). Ms Donnelly, who joined the CPSU in 2005, held a number of positions before being elected to her current role in 2014.

Ms Donnelly is involved in setting the national strategic direction of the CPSU, as well as governance and budgetary processes. She is also involved in representing and advocating on behalf of CPSU members employed at Telstra Corporation Ltd. Ms Donnelly holds degrees in law and social science.



**Steven Fousekas** Employer Director  
Appointed December 2018

Mr Fousekas is Finance Director – Global Business Services and Network & IT at Telstra Corporation Ltd. An experienced executive and director, he has held CFO/ Finance Director and Business advisory positions across a range of sectors and geographies.

He has a proven track record of delivering organisational design, strategic planning and budgeting, implementation of systems as well as developing efficient processes and controls within the Business and Finance areas of large complex organisations.

Prior to joining Telstra, Mr Fousekas spent 15 years in London where he was a Partner of a boutique management consulting firm Anchura Partners and held senior positions with Barclays Wealth and JP Morgan.



**David Burns** Employer Director

Appointed October 2015

Mr Burns' current role is GMD of the Division of Telstra Global Enterprise and Services responsible for designing, building and managing an integrated services capability for Telstra's business, enterprise and government customers.

Just prior to joining Telstra, Mr Burns was General Manager, IBM Global Technology Services (GTS). Based in London, he was responsible for IBM's IT services and outsourcing sale and delivery functions for the United Kingdom and Ireland.



**Bronwyn Clere** Employer Director

Appointed December 2013

Ms Clere is Executive Director of Capital Planning for Telstra Corporation Ltd. Prior to joining Telstra in 2012, she spent over 25 years in the financial services industry in transformation, operations management, finance and change roles with organisations such as JP Morgan in Australia and New Zealand, AIA in Hong Kong and AXA in Australia, New Zealand and the United Kingdom.

Ms Clere is an experienced project practitioner who is an active member of a number of external key project management networks and special interest groups. She is a graduate of the Australian Graduate School of Management and is currently completing her Masters of Project Management.



**Julian Clarke** Employer Director

Appointed October 2017

Mr Clarke is Executive Director of Human Resources at Telstra Corporation Ltd and is responsible for managing a workforce of 6,500 employees and 2,500 partner employees across over 20 countries.

Prior to joining Telstra in 2009, Mr Clarke worked as a Solicitor and Special Counsel with a variety of companies in Australia and overseas and has over 15 years' experience across a range of human resources and legal discipline.

Mr Clarke holds a Master of Arts from the University of Oxford, a Graduate Diploma in Legal Practice from the College of Law in London and a Graduate Diploma in Labour Relations Law from the University of Melbourne.



**Dahlia Khatab** Member Director

Appointed June 2019

Ms Khatab is currently the National Legal/Industrial Officer at the Communications, Electrical and Plumbing Union (CEPU) Communications Division. In this role, her responsibilities include providing advice and representation to members nationally on matters of employment and industrial law and negotiating for improved pay and conditions through enterprise bargaining.

With a background predominately in legal studies, she also has a keen interest in finance and economics, having undertaken a Diploma in Financial Planning in 2017. In addition, Ms Khatab holds a Bachelor of Science / Law (Honours) from Monash University and a Graduate Diploma in Legal Practice.



**Graham Lorrain** Member Director

Appointed December 2016

Mr Lorrain joined what was then known as the Australian Postal & Telecommunications Union (APTU) in 1976. He was then elected onto the Branch Committee of Management in SA/NT in 1982. From this time he has held various positions with the CEPU and is currently the Branch President which sees him representing Telecommunications members in South Australia and Northern Territory.

### Updated appointments

**Maria Phillips**

Resigned as Employer Director August 2018

**Shane Murphy**

Resigned as Member Director March 2019

# Executive team

The day-to-day administration and management of TelstraSuper is the responsibility of the Executive team. All executives lead a business unit and carry responsibility for specific areas of Fund operations.

To find out more about our Directors and Executive team, visit [telstrasuper.com.au/governance](http://telstrasuper.com.au/governance)



**Chris Davies**  
Chief Executive Officer

Chris is responsible for the strategic direction of the Fund and overseeing its operational management to meet the needs of our members. Chris attends meetings for the Investment Committee & Claims Assessment Committee and is also a Director of TelstraSuper Financial Planning.

Chris joined TelstraSuper in October 2013, having previously been Executive Manager, Member and Employer Solutions at UniSuper.

Chris started his career practising law in national firms, before moving to the financial services sector. Chris' experience in the financial services industry has developed over 30 years with senior roles at BT Financial Group, Commonwealth Bank and Colonial First State.



**Paul Curtin**  
Chief Financial Officer, Executive General Manager, Strategy, PMO & Investment Operations

Paul is responsible for all financial and taxation matters for TelstraSuper and TelstraSuper Financial Planning, and oversees the operation of the Finance and Investment Operations teams. Paul also oversees the management of TelstraSuper's Strategy and Projects Management Office.

Paul is a member of the Investment Committee and attends meetings for TelstraSuper's Audit, Risk & Compliance Committee.

Paul was appointed to his role with TelstraSuper in February 2013. He was previously the Chief Financial Officer for industry superannuation fund, Vision Super, and has also worked in the Financial Services practice of KPMG.



**Kathryn Forrest**  
Executive General Manager, Operations

Kathryn is responsible for managing the in house Operations for TelstraSuper. This includes contributions processing, benefit payments, claims and insurance, and employer relationships.

Kathryn joined TelstraSuper in January 2016 having previously been the National Manager for Employer Relationships at UniSuper. She has been within the superannuation industry for over 25 years and brings extensive experience in both accumulation and defined benefit funds management.



**Graeme Miller**  
Chief Investment Officer

Graeme is responsible for leading the investment management team which manages TelstraSuper's approximately \$21 billion investment portfolio. He works closely with the Investment Committee to set investment objectives, formulate investment strategies and implement investment portfolios for the benefit of TelstraSuper's members.

Graeme has 30 years' experience in the superannuation and investment industries, and has extensive experience in all aspects of investing. He joined TelstraSuper in May 2016, having previously been the Australian Head of Investments at global consulting firm Willis Towers Watson.



**Jean-Luc Ambrosi**  
Executive General Manager,  
Marketing & Digital

Jean-Luc is responsible for leading the marketing and digital functions within TelstraSuper. This includes member communication and member experience, as well as overseeing the digital channel and leading its transformation. Jean-Luc also manages corporate affairs and provides critical input to TelstraSuper's business strategy and planning.

Jean-Luc carries a wealth of experience in financial services marketing including senior leadership roles with Vanguard, BlackRock and NAB. He is also the author of the book 'Branding to Differ,' published in November 2013.

Jean-Luc commenced his role with TelstraSuper in March 2014. He was previously Head of Marketing & Corporate Communication at Vanguard.



**Janet Brown**  
Executive General Manager,  
People & Culture

As Executive General Manager, People & Culture, Janet is responsible for all human resource initiatives within TelstraSuper. This includes creating employee-focused programmes aimed at staff development and nurturing a positive and forward-thinking work environment.

Janet has expertise in managing informational business change, and a proven strategic focus in people leadership. She is motivated by empowering others to succeed and building team culture with a strong customer focus. Previously, Janet undertook senior HR roles at National Australia Bank and Coles across national and global markets.



**Steve Cullen**  
Executive General Manager,  
Member Engagement & Advice

Steve is responsible for leading the teams that support members, including our Member Contact Centre and Member Education teams, as well as for members seeking financial advice about their superannuation, investment, insurance and retirement needs, through TelstraSuper Financial Planning.

Steve joined TelstraSuper in 2015 and was appointed to his current role in July 2016. Steve holds a Masters Degree in Banking and Finance and a Diploma of Financial Planning. He has over 20 years' experience in senior roles across the financial services industry, including at QSuper, ANZ and Commonwealth Bank.



**Steve Miller**  
General Counsel &  
Company Secretary

Steve has overall responsibility for legal matters across every operational area of TelstraSuper and TelstraSuper Financial Planning, and for ensuring a robust legal and governance framework. He is the Company Secretary for both TelstraSuper and TelstraSuper Financial Planning and is a trusted adviser to the Board, CEO and Executive Team with responsibility for all Board governance matters. Steve is also the Privacy Officer.

Steve joined TelstraSuper in 2002 and has over 20 years of legal experience across in-house and private practice environments in Australia and other jurisdictions. Prior to joining TelstraSuper, Steve practised in the Melbourne office of a national law firm.



**Karen Symes**  
Executive General Manager,  
Technology

Karen is responsible for leading the technology function within TelstraSuper. This includes business engagement, solution design, development and delivery, governance, risk and security, service management and infrastructure services.

Karen joined TelstraSuper in January 2018 and brings over 25 years' experience in leading technology functions within the financial services sector both in Australia and UK and is also skilled in implementing new ways of working based on Agile, LEAN and Innovation practices.

Her most recent role was Chief Information & Innovation Officer at Guild Group Holdings with similar executive and senior roles held at Equity Trustees and ANZ Bank. Karen also held a Board position at Early Childhood Management Services (ECMS) from 2006 to 2011.



**Sabine Taylor**  
Chief Risk Officer

Sabine manages TelstraSuper's Risk and Compliance function. She is responsible for ensuring any form of risk that members, the Fund and the Trustee may be exposed to, are appropriately managed across the organisation. Sabine joined TelstraSuper in February 2019 as Interim CRO. Preceding this, Sabine was Head of Wrap Operations at Colonial First State.

Sabine brings over 25 years' industry experience in the areas of risk, compliance, operations, governance, fraud and security, including roles at UniSuper, AMP and the Commonwealth Bank. She was also a member of the Bank's Women's Advisory Council. Sabine holds a Master of Commercial Law, Master of Risk Management, and a Bachelor of Science in Security & Management; she is also a Graduate of the Australian Institute of Company Directors and has been a keynote speaker at several industry forums.



# Building profits for members

**You might have heard us say that TelstraSuper is a profit-to-members fund. Here's what that means and why it could make a difference to your retirement savings.**

The Australian super system has been around 28 years. During this time, different types of super funds have evolved. At TelstraSuper, we're a profit-to-members fund (also sometimes called a not-for-profit fund). Profit-to-member funds are unique because they return any profits back to members rather than paying shareholders.

This means members pay fees and costs but they are designed to just cover the costs of running the fund. Costs of running the fund includes things like investment costs, compliance costs, communications, IT and infrastructure.

# Our goals are your goals

Being a member of a leading profit-to-members fund like TelstraSuper could mean more money in your super when you finish working. As TelstraSuper is only run to benefit our members, our views are always member oriented.

## Why it matters?

Being a member of a leading profit-to-members fund like TelstraSuper could mean more money in your super when you finish working. We also design our products and services specifically around our members. As a profit-to-members fund we can also keep our fees as low as possible for the benefit of our members.<sup>^</sup>

It's our profit-to-members structure that's helped us be one of Australia's top performing super funds for our investment performance over ten years for our Growth, Balanced and Conservative investment options as at 30 June 2019 when compared with the performance of similar types of investment options in other funds surveyed by SuperRatings\*.

## Our advocacy work

As TelstraSuper is only run to benefit our members, our views are always member oriented. We don't pay dividends to shareholders and we fiercely advocate for members' best interests.

We work closely with our industry bodies such as the Australian Super Funds Association (ASFA) and Australian Institute of Superannuation Trustees (AIST) to call for any changes to the super system to put members first.

For example we were an early adopter of the Insurance in Superannuation Voluntary Code of Practice that aims to ensure the cover super funds offer their members is affordable and appropriate to their needs. We're also a signatory to the Australian Asset Owners Stewardship Code which demonstrates our commitment to responsible investing. These are just some of the ways we're leading the financial services industry in the right direction.

## An exclusive membership

You might have heard us called a corporate fund. Corporate funds can be either profit-to-member or for-profit. The "corporate" part simply means we're associated with a particular employer or group of employers rather than being open for anyone to join.

TelstraSuper is a profit-to-members corporate fund. You can only join TelstraSuper if you are working for or have worked for a Telstra Group company or if you are an eligible family member of a current or former Telstra Group employee. It's easy to refer someone to the fund – you can do it online at [telstrasuper.com.au/familyjoin](http://telstrasuper.com.au/familyjoin)

<sup>^</sup>Before making any investment decisions you should obtain and read the relevant Product Disclosure Statement available on our website at [telstrasuper.com.au/pds](http://telstrasuper.com.au/pds)

\* Based on Monthly SuperRatings Comparison over a 10 year period for our three main diversified options up to 30 June 2019, which you can only access by registering on the SuperRatings website. Past performance is not a reliable indicator of future performance

# From the Chief Investment Officer

It's pleasing to report on another year of investment success for TelstraSuper members. In the 2018/19 financial year, all our investment options delivered positive investment returns, well in excess of their long-term investment objectives.

## From strength to strength

For accumulation members of our Corporate Plus and Personal Plus divisions, our Growth Option delivered a net return of 7.69%, our Balanced option earned 7.07%, and our Conservative option achieved 5.74% for the financial year. For our RetireAccess members, the returns were even higher because members with account-based pensions don't pay tax on their investment earnings. These returns were 8.43% in the Growth option, 7.95% in the Balanced option and 6.36% in the Conservative option.

Providing consistent and solid long-term returns for members is at the heart of our investment strategy, and is central to our mission to help members of the Telstra family build a financially secure future. I'm delighted to therefore report that our long-term track record is strong, with all of TelstraSuper's 10-year returns for our diversified options, sitting comfortably in the top quartile of surveyed funds.

## Investment market backdrop

The global economy grew strongly in the financial year, boosted by low inflation and strong employment. Low interest rates were another key driver of economic growth and investment returns, particularly in the second half of the financial year.

However, despite the good overall results, investment markets were quite volatile during the year – with the final quarter of 2018 being particularly weak. This volatility is not unusual in the late stages of an economic cycle and was driven by concerns about the trade dispute between China and the United States, as well as concerns, in the first half of the year, that US interest rates would rise too quickly.

Despite this volatility, global share markets returned an impressive 11.9% for the financial year in Australian dollar terms. This was helped by a fall in the value of the Australian dollar of around 5% against the USD. The Australian share market delivered a 11.5% return for the financial year. Globally, Fixed interest markets also delivered surprisingly strong returns of around 9% for the year, as interest rates fell sharply across the world.

## Investment Outlook

In the coming year, we expect continued local economic growth to be supported by low interest rates, high levels of government spending and strong employment. These conditions should be supportive for positive investment returns, albeit at a lower level than in recent years. However, we believe that this growth is already largely priced

into investment markets, so there are downside risks to investment outcomes if growth is not as strong as expected.

TelstraSuper's investment team is monitoring two key risks:

- Firstly, the trade dispute between China and the US. If the dispute escalates, this could have negative consequences for economic growth and investor confidence. On the other hand, if the dispute is resolved favourably, it may well give a boost to markets.
- Secondly, we're keeping an eye out for signs of increases in inflation. If inflation emerges as a threat, this will most likely lead to interest rate rises and falls in asset prices.

TelstraSuper recognises the rise of market uncertainty and will continue to build well-diversified portfolios for our members. Our investments draw their returns from many different types of assets, in many different countries, and are managed by multiple investment managers. We aim for our portfolios to be resilient in a variety of investment environments and we actively manage our exposure to reflect the market outlook.

At the present time, our portfolios are somewhat defensively positioned. Our exposure to shares is about 2% lower than usual in most options, and we're holding less fixed interest securities and a greater amount of cash. We believe that this is a prudent way to position the portfolios, given that we appear to be in the late-stage of an economic cycle and most asset prices are elevated. Under this positioning, our members will continue to enjoy most of the benefits of continued investment strength, but should also be somewhat better positioned in the event of a significant market fall.



## Review of Strategic Asset Allocations

Every year we carry out a comprehensive review of our investment strategies to ensure that they remain appropriate for our investment objectives. Following this year's review of investment strategy we have made a few changes to the Strategic Asset Allocations for our diversified investment options (Growth, Balanced, Conservative, Defensive Growth, and Diversified Income), which took effect from 1 July 2019. The key changes are as follows:

- a reduction in the strategic allocation to hedge funds to zero in all investment options,
- a consequential increase in the allocations to infrastructure, unlisted property, private markets and/or alternative debt, increases to the target foreign currency exposure,
- increases to the allocations to international equities, with an offsetting reduction to the allocations to Australian equities, and
- differentiating between listed property securities and unlisted property as separate asset classes .

Although these changes took effect from 1 July 2019, they will be implemented progressively over a period of time, based on market opportunities and asset liquidity.

We have also changed the investment objectives for the following investment options:

- Australian Shares and International Shares: the return objective has reduced from CPI+4% to CPI+3.5%; and

- Fixed interest and Defensive Growth: the time-horizon for measuring the investment objective has increased from "2 to 4 years" to "4 to 6 years"

### Thank you

It's a privilege to be entrusted with the management of our members' superannuation savings. We're looking forward to the coming year, and as always we'll continue to manage our members' investments in a prudent and proactive manner, remaining vigilant to identify both opportunities

and risks as they emerge. In this way, we expect to continue to deliver strong outcomes for our members over the long term.

**Graeme Miller**  
Chief Investment Officer

1. Listed property securities are now classified as "Growth" assets, and unlisted property is classified as a mixture between "Growth" and "Defensive" assets.

# How we help you grow your super

At TelstraSuper we're here to help you build a secure financial future. We do this by providing high levels of service and outstanding performance.

## 7.69%

return on MySuper Growth option for year to 30 June 2019<sup>^</sup>

## \$76,940,226

received in voluntary pre-tax contributions in 2018/19

## \$257,275,174

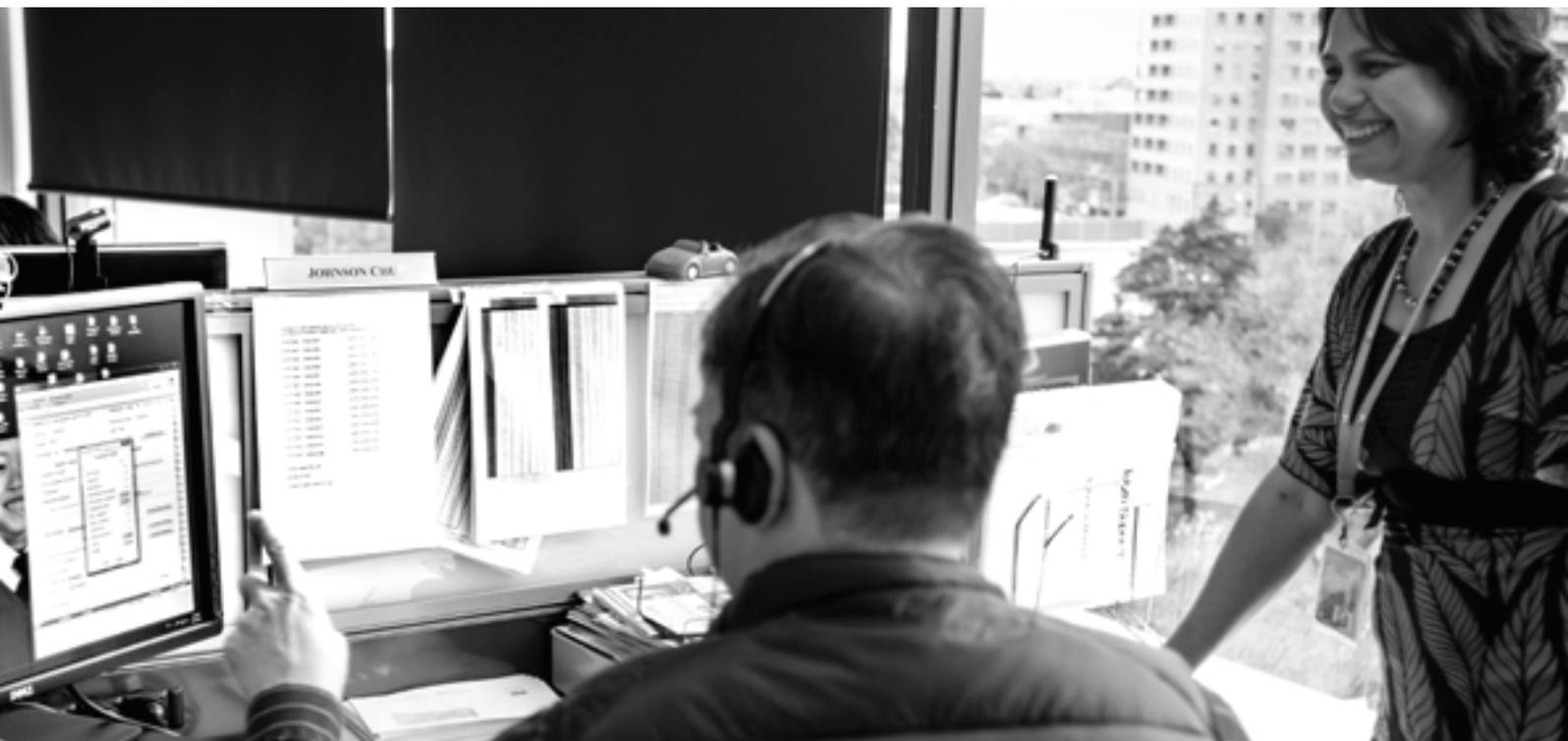
received in voluntary post-tax contributions in 2018/19

## \$449,309

received in government co-contributions in 2018/19

## Over \$21 billion

in funds under management as at 30 June 2019



“Solid performance and easy access to online statements and information”\*

## 2018-2019 saw



**39.8%**

female members



**60.2%**

male members

“When I call for help I always get the help I need to make decisions about my super”\*



**1,295,989**

visits to telstrasuper.com.au



**54%**

increase in members using a mobile or tablet to access our website

“TelstraSuper has always been prompt to reply and informative as well as having a great online experience”\*



**11%**

of our members downloaded the TelstraSuper app



**98%**

of claims referred to the Trustee were approved for payment

“Great performing fund and my planner has always been great to deal with and is genuine in looking after our financial future”\*



**51,438**

calls to member services



**6,885**

appointments held with TelstraSuper Financial Planning



**19,543**

calls taken by TelstraSuper Financial Planning Advisers



**8,949**

people attended webinars and seminars

# Investment options

## Growth option

### Investment strategy

The Growth option has a strong bias towards growth assets, such as Australian and International Shares, and Listed Property Trusts, with a smaller allocation towards mixed assets such as Unlisted Property and Infrastructure and defensive assets such as Cash.

### Return objective

Outperform CPI+3.5%p.a.

### Investment time frame

7 to 10 year periods.

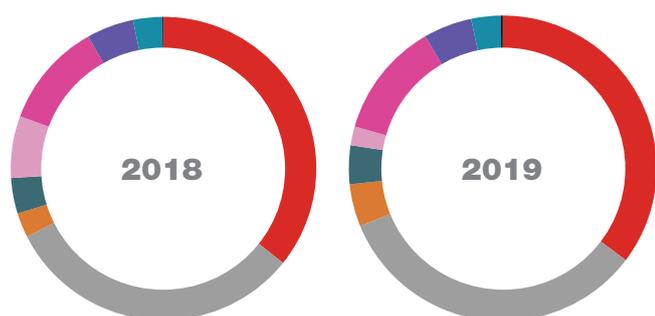
### Risk objective

A high level of risk expected to generate 4 to less than 6 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns	TelstraSuper RetireAccess returns
12 Month	7.69%	8.43%
3 Year	10.38%	11.37%
5 Year	8.43%	9.13%
7 Year	11.30%	12.54%
10 Year	9.95%	11.28%

### Asset allocation



	2018	2019
International Shares	35.7%	35.3%
Australian Shares	31.9%	33.6%
Infrastructure	2.6%	4.5%
Alternative Debt	3.8%	4.0%
Cash	6.6%	2.0%
Property*	11.2%	12.2%
Hedge funds	5.0%	5.1%
Private equity	3.1%	3.1%
Opportunities	0.1%	0.2%

## Balanced option

### Investment strategy

The Balanced option has a moderate bias towards growth assets, such as Australian and International Shares, and Listed Property Trusts, balanced by an allocation towards defensive assets such as Fixed Interest Securities and Cash, and mixed assets such as Unlisted Property and Infrastructure.

### Return objective

Outperform CPI+3%p.a.

### Investment time frame

5 to 10 year periods.

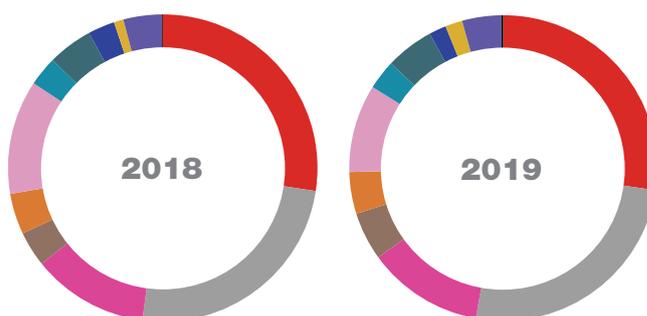
### Risk objective

A high level of risk expected to generate 4 to less than 6 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns	TelstraSuper RetireAccess returns
12 Month	7.07%	7.95%
3 Year	8.91%	9.96%
5 Year	7.56%	8.38%
7 Year	10.00%	11.27%
10 Year	9.11%	10.39%

### Asset allocation



	2018	2019
International Shares	27.4%	27.4%
Australian Shares	24.7%	25.5%
Property*	12.2%	12.2%
Australian Fixed Interest	3.7%	5.1%
Infrastructure	4.3%	4.4%
Cash	12.0%	9.3%
Private equity	3.1%	3.1%
Alternative Debt	4.7%	5.1%
International Fixed Interest	2.8%	1.8%
Credit	1.0%	1.8%
Hedge funds	4.0%	4.1%
Opportunities	0.1%	0.2%

Asset allocations as at 30 June 2018 and 30 June 2019 reflect asset classifications applicable at those times and may change. For further information about the investment options (including asset allocation ranges, risks and fees and costs), please refer to the relevant Product Disclosure Statement. TelstraSuper RetireAccess investment returns are different to Accumulation member returns because TelstraSuper RetireAccess returns are not subject to tax. Past performance is not a reliable indicator of future performance.

## Diversified Income option

### Investment strategy

The Diversified Income option is uniquely structured to distribute income it receives from investments, allowing members to fund part of their retirement needs without the need to sell capital assets. When selecting investments, preference is made for expected returns predominately driven by income rather than capital growth. Income is accrued as underlying investments pay income distributions during the month. Due to the varying income distributions of the underlying investments, the income payment to members will vary from month to month.

### Return objective

Outperform CPI+2%p.a.

### Investment time frame

4 to 6 year periods.

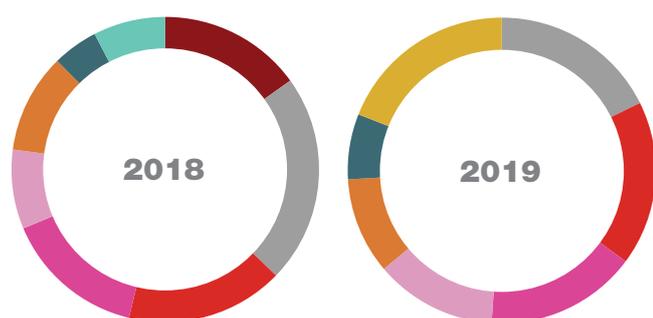
### Risk objective

A medium to high level of risk expected to generate 3 to less than 4 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns	TelstraSuper RetireAccess returns
<b>12 Month</b>	<b>6.93%</b>	<b>7.67%</b>
3 Year	7.60%	8.73%
5 Year	6.70%	7.64%
7 Year	8.39%	9.40%
10 Year	n/a	n/a

### Asset allocation



	2018	2019
Diversified Fixed Interest	15.1%	
Australian Shares	22.1%	17.7%
International Shares	16.6%	17.4%
Property*	14.9%	15.9%
Cash	8.4%	12.8%
Infrastructure	10.5%	10.2%
Alternative Debt	4.8%	6.9%
Income Securities	7.6%	
Credit		19.1%

## Defensive Growth option

### Investment strategy

The Defensive Growth option is uniquely structured to adjust its exposure to a range of growth and defensive assets, based on the performance and confidence of investment markets at any point in time.

When investing in growth assets, it does so in a way that aims to reduce volatility. For example, by investing in stable businesses with long histories of reliable cash flows and profitability.

### Return objective

Outperform CPI+2%p.a.

### Investment time frame

2 to 6 year periods.

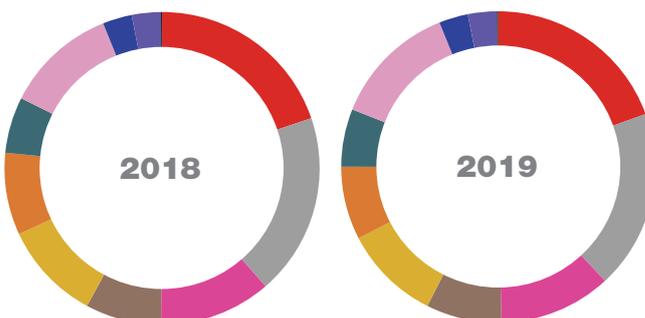
### Risk objective

A medium to high level of risk expected to generate 3 to less than 4 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns	TelstraSuper RetireAccess returns
<b>12 Month</b>	<b>8.06%</b>	<b>9.12%</b>
3 Year	8.29%	9.13%
5 Year	7.61%	8.28%
7 Year	8.93%	9.84%
10 Year	n/a	n/a

### Asset allocation



	2018	2019
International Shares	19.8%	19.4%
Australian Shares	18.8%	18.6%
Property*	11.5%	11.6%
Australian Fixed Interest	7.8%	7.8%
Credit	10.2%	10.0%
Infrastructure	8.5%	7.6%
Alternative Debt	5.8%	6.0%
Cash	11.5%	12.9%
International Fixed Interest	3.0%	3.0%
Hedge funds	3.0%	3.0%
Opportunities	0.1%	0.1%

\*Property consists of Listed Property Trusts and Unlisted Property.

## Conservative option

### Investment strategy

The Conservative option has a bias towards defensive assets, in particular a high weighting towards Cash, to minimise short-term fluctuations (risk) but has some exposure to growth assets for long-term growth (return).

### Return objective

Outperform CPI+1.5%p.a.

### Investment time frame

3 to 10 year periods.

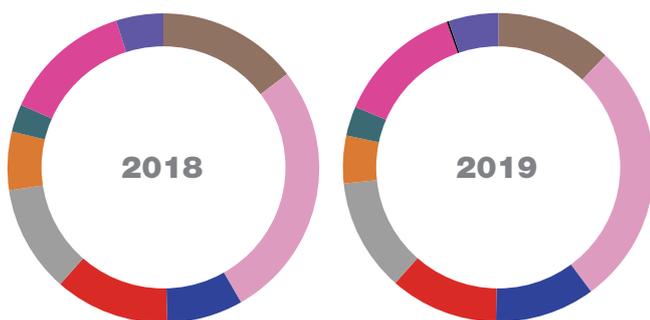
### Risk objective

A low to medium level of risk expected to generate 1 to less than 2 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns	TelstraSuper RetireAccess returns
<b>12 Month</b>	<b>5.74%</b>	<b>6.36%</b>
3 Year	6.22%	6.96%
5 Year	5.87%	6.48%
7 Year	7.17%	8.01%
10 Year	7.05%	7.97%

### Asset allocation



	2018	2019
Australian Fixed Interest	14.6%	12.1%
Cash	27.1%	27.7%
International Fixed Interest	7.9%	10.4%
International Shares	11.9%	11.3%
Australian Shares	11.2%	11.8%
Infrastructure	6.1%	5.0%
Alternative Debt	2.9%	3.1%
Property*	13.4%	13.2%
Opportunities		0.2%
Hedge funds	4.9%	5.2%

## Australian Shares option

### Investment strategy

100% of the option is invested in listed Australian companies. Diversification is achieved through exposure to a number of investment managers with different styles of investing.

### Return objective

Outperform CPI+4%p.a.

### Investment time frame

8 to 10 year periods.

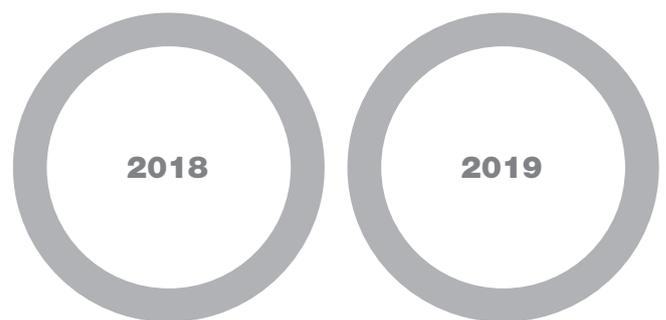
### Risk objective

A very high level of risk expected to generate 6 or more negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns	TelstraSuper RetireAccess returns
<b>12 Month</b>	<b>7.94%</b>	<b>9.02%</b>
3 Year	11.68%	13.00%
5 Year	8.02%	8.74%
7 Year	11.17%	12.36%
10 Year	9.89%	11.17%

### Asset allocation



	2018	2019
Australian Shares	100%	100%

# Take control of your super

Whether you're a savvy investor or you just want to set and forget, our investment options provide you with the opportunity to tailor your investments throughout your lifetime.

## International Shares option

### Investment strategy

The International Shares option has 100% exposure to International Shares, and is invested through several investment managers. It aims to achieve exposure to industries and companies that are not part of the Australian sharemarket.

### Return objective

Outperform CPI+4%p.a.

### Investment time frame

8 to 10 year periods.

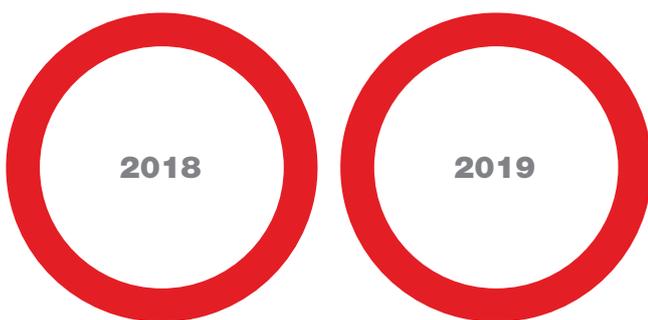
### Risk objective

A high level of risk expected to generate 4 to less than 6 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns	TelstraSuper RetireAccess returns
<b>12 Month</b>	<b>7.44%</b>	<b>7.84%</b>
3 Year	11.62%	12.51%
5 Year	9.24%	9.91%
7 Year	12.89%	14.33%
10 Year	10.41%	11.74%

### Asset allocation



	2018	2019
International Shares	100%	100%

## Property option

### Investment strategy

The Property option invests exclusively in property-based assets, including both Listed Property Trusts and Unlisted Property. For diversification reasons, this may include investment in international property and mortgages or loans secured by property assets.

### Return objective

Outperform CPI+3%p.a.

### Investment time frame

5 to 7 year periods.

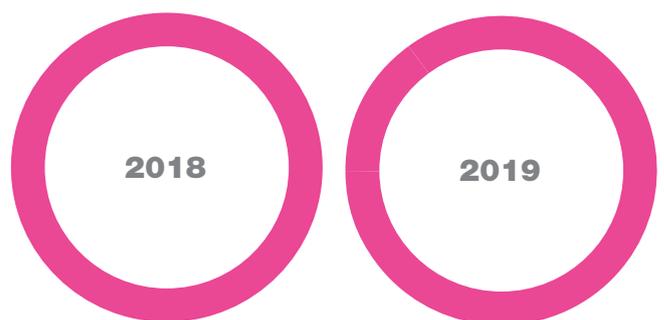
### Risk objective

A medium to high level of risk expected to generate 3 to less than 4 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns	TelstraSuper RetireAccess returns
<b>12 Month</b>	<b>9.95%</b>	<b>10.73%</b>
3 Year	10.66%	11.87%
5 Year	11.21%	12.48%
7 Year	11.12%	12.57%
10 Year	11.41%	13.22%

### Asset allocation



	2018	2019
Property*	100%	100%

\*Property consists of Listed Property Trusts and Unlisted Property.

## Fixed Interest option

### Investment strategy

The Fixed Interest option invests primarily in Australian and International Fixed Interest Securities, including fixed, variable and floating interest rate securities issued by government bodies and companies, as well as asset and mortgage-backed securities and mortgages or loans secured by property assets. It may also have exposure to Cash, up to a maximum of 50%.

### Return objective

Outperform CPI.

### Investment time frame

2 to 4 year periods.

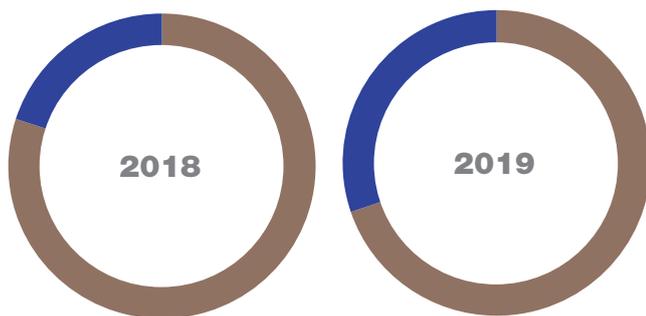
### Risk objective

A medium level of risk expected to generate 2 to less than 3 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns	TelstraSuper RetireAccess returns
<b>12 Month</b>	<b>5.47%</b>	<b>6.40%</b>
3 Year	3.55%	4.10%
5 Year	3.84%	4.42%
7 Year	4.20%	4.84%
10 Year	5.17%	5.97%

### Asset allocation



	2018	2019
Australian Fixed Interest	80.0%	69.8%
International Fixed Interest	20.0%	30.2%

## Cash option

### Investment strategy

100% invested in Cash and short-term money market securities.

### Return objective

Corporate Plus and Personal Plus members: outperform the Bloomberg AusBond Bank Bill Index, adjusted for tax.^

RetireAccess members: outperform the Bloomberg AusBond Bank Bill Index.^

### Investment time frame

0 to 2 year periods.

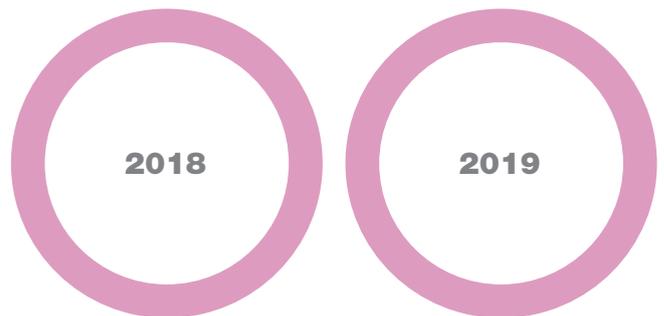
### Risk objective

A very low level of risk expected to generate less than 0.5 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns	TelstraSuper RetireAccess returns
<b>12 Month</b>	<b>1.96%</b>	<b>2.30%</b>
3 Year	1.87%	2.18%
5 Year	2.04%	2.34%
7 Year	2.28%	2.63%
10 Year	2.76%	3.21%

### Asset allocation



	2018	2019
Cash	100%	100%

^The Bloomberg AusBond Bank Bill Index is a commonly used benchmark for cash-like investments. It measures the return earned on a diversified portfolio of different types of short term cash investments. Cash investments are generally taxed at 15% in the superannuation accumulation phase.

We care about your future – we consider environmental, social and governance factors when making investments, visit [telstrasuper.com.au/esg](http://telstrasuper.com.au/esg)

# Responsible investors

## Direct Access option

### Investment strategy

Allows members to invest a proportion of their super in their choice of:

- Australian shares that form part of the S&P/ASX300 Index
- other listed securities such as ETFs, approved by the Trustee
- a range of approved term deposits.

### Return objective

The return objective will depend on the mix of investments selected by individual members.

### Investment time frame

The minimum suggested timeframe will depend on the investments selected by individual members. The minimum suggested timeframes that generally apply to the investments in the Direct Access option are:

- term deposits: 2 years or less
- approved ETFs: 8-10 years
- listed securities and Australian shares that form part of the S&P/ASX300 Index: 8-10 years.

### Risk objective

The risk level will depend on the mix of investments selected by individual members. The risk levels that generally apply to the investments in the Direct Access option are:

- term deposits: very low risk
- listed securities such as ETFs, and Australian Shares that form part of the S&P/ASX300 Index: very high risk.

The likelihood of a negative return will vary depending on each member's allocation to shares, ETFs and term deposits and the performance of the investments selected by individual members.

### Long-term strategic investment mix

The mix of growth and defensive assets will depend on the mix of investments selected by individual members. The growth/defensive characteristics that generally apply to the investments in the Direct Access option are:

- term deposits: defensive assets
- approved ETFs: growth or defensive assets
- listed securities and Australian shares that form part of the S&P/ASX300 Index: growth assets.

## MySuper Conservative

### Investment strategy

MySuper Conservative has a bias towards defensive assets, in particular a high weighting towards Cash, to minimise short-term fluctuations (risk) but has some exposure to growth assets for long-term growth (return).

### Return objective

Outperform CPI+1.5%p.a.

### Investment time frame

3 to 10 year periods.

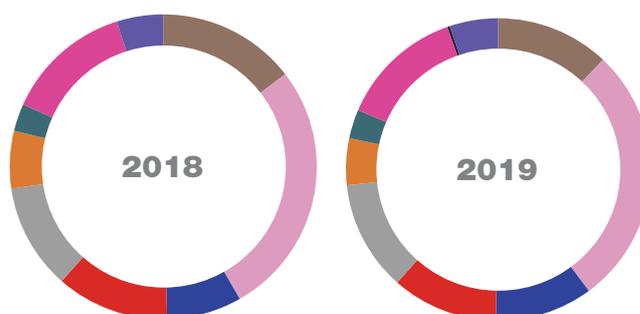
### Risk objective

A low to medium level of risk expected to generate 1 to less than 2 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns
2018/2019	5.74%
2017/2018	5.61%
2016/2017	7.31%
2015/2016	3.61%
2014/2015	7.12%

### Asset allocation



	2018	2019
Australian Fixed Interest	14.6%	12.1%
Cash	27.1%	27.7%
International Fixed Interest	7.9%	10.4%
International Shares	11.9%	11.3%
Australian Shares	11.2%	11.8%
Infrastructure	6.1%	5.0%
Alternative Debt	2.9%	3.1%
Property*	13.4%	13.2%
Opportunities		0.2%
Hedge funds	4.9%	5.2%

\*Property consists of Listed Property Trusts and Unlisted Property.

## MySuper Balanced

### Investment strategy

MySuper Balanced has a moderate bias towards growth assets, such as Australian and International Shares, and Listed Property Trusts, balanced by an allocation towards defensive assets such as Fixed Interest Securities and Cash, and mixed assets such as Unlisted Property and Infrastructure.

### Return objective

Outperform CPI+3%p.a.

### Investment time frame

5 to 10 year periods.

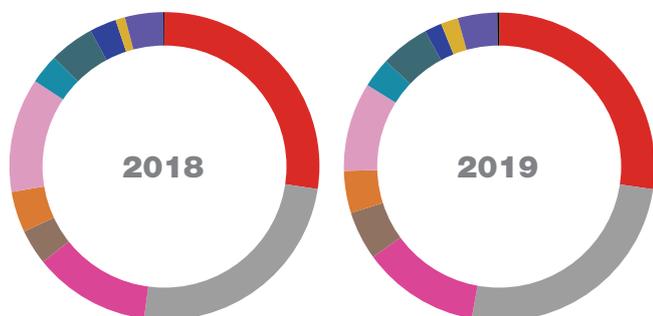
### Risk objective

A high level of risk expected to generate 4 to less than 6 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns
2018/2019	7.07%
2017/2018	8.28%
2016/2017	11.44%
2015/2016	1.31%
2014/2015	9.98%

### Asset allocation



	2018	2019
International Shares	27.4%	27.4%
Australian Shares	24.7%	25.5%
Property*	12.2%	12.2%
Australian Fixed Interest	3.7%	5.1%
Infrastructure	4.3%	4.4%
Cash	12.0%	9.3%
Private Equity	3.1%	3.1%
Alternative Debt	4.7%	5.1%
International Fixed Interest	2.8%	1.8%
Credit	1.0%	1.8%
Hedge funds	4.0%	4.1%
Opportunities	0.1%	0.2%

## MySuper Growth

### Investment strategy

Strong bias towards growth assets, such as Australian and International Shares, and Listed Property Trusts, with a smaller allocation towards mixed assets such as Unlisted Property and Infrastructure and defensive assets such as Cash.

### Return objective

Outperform CPI+3.5%p.a.

### Investment time frame

7 to 10 year periods.

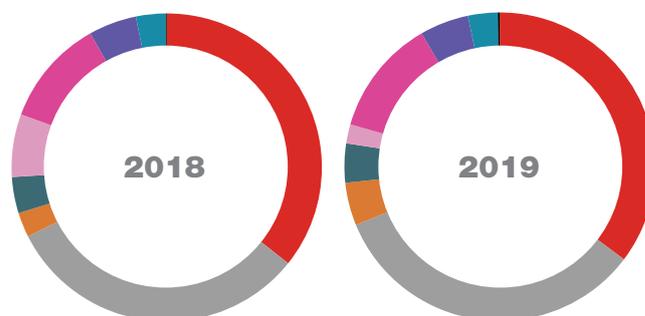
### Risk objective

A high level of risk expected to generate 4 to less than 6 negative annual returns over any 20 year period.

### Performance

Year	Accumulation member returns
2018/2019	7.69%
2017/2018	10.01%
2016/2017	13.50%
2015/2016	0.30%
2014/2015	11.14%

### Asset allocation



	2018	2019
International Shares	35.7%	35.3%
Australian Shares	31.9%	33.6%
Infrastructure	2.6%	4.5%
Alternative Debt	3.8%	4.0%
Cash	6.6%	2.0%
Property*	11.2%	12.2%
Hedge funds	5.0%	5.1%
Private Equity	3.1%	3.1%
Opportunities	0.1%	0.2%

# Comparing our performance

As well as striving to meet our own return objectives, we also benchmark our investment options (apart from Direct Access) against the performance of other super funds surveyed by SuperRatings. With a focus on the long-term, we aim to provide members with returns that exceed others in the industry as determined by SuperRatings surveys and medians. Most of our investment options outperformed the median over five and ten years. This long-term trend of outperformance continues with seven options outperforming the median over ten years.<sup>^</sup>

## TelstraSuper Corporate Plus & Personal Plus

Option	5 years	5 year median	10 years	10 years median
Growth	8.43%	8.47%	9.95%	9.29%
Balanced	7.56%	7.71%	9.11%	8.60%
Diversified Income*	6.70%	5.99%		
Defensive Growth*	7.61%	6.23%		
Conservative	5.87%	4.85%	7.05%	6.06%
International Shares	9.24%	10.64%	10.41%	10.73%
Australian Shares	8.02%	8.51%	9.89%	9.64%
Property	11.21%	9.78%	11.41%	9.59%
Fixed Interest	3.84%	3.71%	5.17%	5.54%
Cash	2.04%	1.87%	2.76%	2.64%

Your  
super  
at your  
fingertips

The latest returns and investment updates can be found at [telstrasuper.com.au/investments](http://telstrasuper.com.au/investments)

\* The Defensive Growth option was introduced on 1 July 2010 and as such no 10 year returns are available. The Diversified Income option was introduced on 1 July 2012, and as such, no 10 year returns are available. Notional returns have not been included as the structure of the option is not based on the performance of a single index. The investment return for the Diversified Income option has been calculated on the basis of daily movements in 'sell' unit prices and distributions payable to members, as if distributions are reinvested in the option's asset pool. Distributions are not actually reinvested. They are paid into the accounts of eligible members effective the first business day of each calendar month and are invested in the Cash option. Past distributions are not a reliable indicator of future distributions. Distributions are not guaranteed.

<sup>^</sup>Source: SuperRatings Fund Crediting Rate Survey, June 2019. Find out more at [www.superratings.com.au/ratings](http://www.superratings.com.au/ratings)

TelstraSuper's returns shown in this comparison relate to accumulation members or accounts and do not apply to TelstraSuper RetireAccess members or defined benefits. The accumulation investment returns are net of indirect investment costs and investment taxes but before the deduction of any applicable administration fee, indirect administration costs or rebate. Returns are to the 5 year and 10 year periods ending 30 June 2019 (where available). Past performance is not a reliable indicator of future performance.

Keep up to  
date with the  
latest investment  
performance by  
downloading our  
TelstraSuper App.

# Financial statements

## Statement of Financial Position

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Assets</b>		
Cash and cash equivalents	1,625,751	1,562,005
Australian fixed interest securities	3,731,290	3,266,208
International fixed interest securities	1,953,091	1,347,835
Australian equities	5,332,159	5,204,493
International equities	4,772,075	5,056,695
Hedge funds	867,610	1,268,916
Private equity	448,740	491,516
Property	2,553,186	2,365,603
Infrastructure	843,081	727,652
Derivative assets	31,792	57,539
Investment income receivable	51,540	60,206
Unsettled investment sales	138,434	41,421
Accounts receivable	7,078	7,849
Current income tax receivable	62,830	-
Property, plant and equipment	6,558	6,576
<b>Total assets</b>	<b>22,425,215</b>	<b>21,464,514</b>
<b>Liabilities</b>		
Benefits payable	(13,541)	(78)
Accounts payable	(30,003)	(31,607)
Unsettled investment purchases and payables	(244,415)	(171,868)
Derivative liabilities	(23,785)	(132,872)
Current income tax liabilities	-	(43,636)
Deferred income tax liabilities	(300,697)	(261,357)
<b>Total liabilities excluding member benefits</b>	<b>(612,441)</b>	<b>(641,418)</b>
<b>Net assets available for member benefits</b>	<b>21,812,774</b>	<b>20,823,096</b>
<b>Member benefits</b>		
Defined contribution member liabilities	(19,450,854)	(18,176,285)
Defined benefit member liabilities	(1,816,929)	(2,120,892)
<b>Total member liabilities</b>	<b>(21,267,783)</b>	<b>(20,297,177)</b>
<b>Total net assets</b>	<b>544,991</b>	<b>525,919</b>
<b>Equity</b>		
Operational risk financial reserve	53,341	51,945
Insurance reserve	2,000	5,000
Administration reserve	63,845	52,467
Unallocated surplus	425,805	416,507
<b>Total equity</b>	<b>544,991</b>	<b>525,919</b>

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Your fund  
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## Statement of Comprehensive Income

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Superannuation activities</b>		
Interest	150,820	129,770
Dividends and distributions	598,163	433,631
Property trust income	108,563	109,821
Net foreign exchange gains	175,344	152,309
Changes in assets measured at fair value	440,516	847,846
Other investment income	3,031	3,145
Other operating income	2,879	3,337
<b>Total superannuation activities income</b>	<b>1,479,316</b>	<b>1,679,859</b>
<b>Expenses</b>		
Investment expenses	(82,578)	(89,358)
Administration expenses	(55,324)	(55,658)
<b>Total expenses</b>	<b>(137,902)</b>	<b>(145,016)</b>
<b>Net result from superannuation activities</b>	<b>1,341,414</b>	<b>1,534,843</b>
<b>Profit from operating activities</b>	<b>1,341,414</b>	<b>1,534,843</b>
Net benefits allocated to defined contribution member accounts	(1,242,921)	(1,325,709)
Net change in defined benefit member liabilities	(95,546)	24,270
<b>Profit before income tax</b>	<b>2,947</b>	<b>233,404</b>
Income tax benefit/(expense)	7,555	(63,571)
<b>Profit after income tax</b>	<b>10,502</b>	<b>169,833</b>

## Statement of Changes in Member Benefits

For the year ended 30 June 2019

	Defined Contribution Members \$'000	Defined Benefit Members \$'000	Total \$'000
<b>Opening balance as at 1 July 2018</b>	18,176,285	2,120,892	20,297,177
Employer contributions	477,907	55,836	533,743
Member contributions	249,776	5,129	254,905
Government contributions	2,016	-	2,016
Transfers from other superannuation funds	679,854	17,103	696,957
Transfers to other superannuation funds	(608,686)	(466,665)	(1,075,351)
Income tax on contributions	(66,016)	(8,375)	(74,391)
Benefits to members/beneficiaries	(682,809)	(2,270)	(685,079)
Insurance premiums charged to members' accounts	(37,984)	(2,641)	(40,625)
Insurance benefits credited to members' accounts	28,172	362	28,534
Reserves transferred to/(from) members:			
Insurance reserve	-	3,000	3,000
Administration reserve	(10,406)	(972)	(11,378)
Operational risk financial reserve	(176)	(16)	(192)
Net benefits allocated to members' accounts:			
Net investment income	1,286,129	-	1,286,129
Administration fees	(43,208)	-	(43,208)
Net change in DB member benefits	-	95,546	95,546
<b>Closing balance as at 30 June 2019</b>	<b>19,450,854</b>	<b>1,816,929</b>	<b>21,267,783</b>
<b>Opening balance as at 1 July 2017</b>	16,715,738	2,376,245	19,091,983
Employer contributions	499,216	88,126	587,342
Member contributions	203,555	6,721	210,276
Government contributions	2,138	-	2,138
Transfers from other superannuation funds	567,140	2,352	569,492
Transfers to other superannuation funds	(477,241)	(308,161)	(785,402)
Income tax on contributions	(68,141)	(13,219)	(81,360)
Benefits to members/beneficiaries	(576,141)	(3,681)	(579,822)
Insurance premiums charged to members' accounts	(36,430)	(2,898)	(39,328)
Insurance benefits credited to members' accounts	28,959	636	29,595
Reserves transferred to/(from) members:			
Administration reserve	(6,127)	(715)	(6,842)
Operational risk financial reserve	(2,089)	(244)	(2,333)
Net benefits allocated to DC members' accounts:			
Net investment income	1,367,457	-	1,367,457
Administration fees	(41,749)	-	(41,749)
Net change in DB member benefits	-	(24,270)	(24,270)
<b>Closing balance as at 30 June 2018</b>	<b>18,176,285</b>	<b>2,120,892</b>	<b>20,297,177</b>

## Statement of Changes in Reserves

For the year ended 30 June 2019

	Unallocated surplus/ \$'000	Operational risk financial reserve \$'000	Insurance reserve \$'000	Administration reserve \$'000	Total equity \$'000
<b>Operating balance as at 1 July 2018</b>	416,507	51,945	5,000	52,467	525,919
Transfer from DC member accounts	-	176	-	10,406	10,582
Transfer from DB member accounts	-	16	(3,000)	972	(2,012)
Profit	9,298	1,204	-	-	10,502
<b>Closing balance as at 30 June 2019</b>	<b>425,805</b>	<b>53,341</b>	<b>2,000</b>	<b>63,845</b>	<b>544,991</b>
<b>Operating balance as at 1 July 2017</b>	247,689	48,597	5,000	45,625	346,911
Transfer from DC member accounts	-	2,089	-	6,127	8,216
Transfer from DB member accounts	-	244	-	715	959
Profit	168,818	1,015	-	-	169,833
<b>Closing balance as at 30 June 2018</b>	<b>416,507</b>	<b>51,945</b>	<b>5,000</b>	<b>52,467</b>	<b>525,919</b>



## Statement of Cash Flows

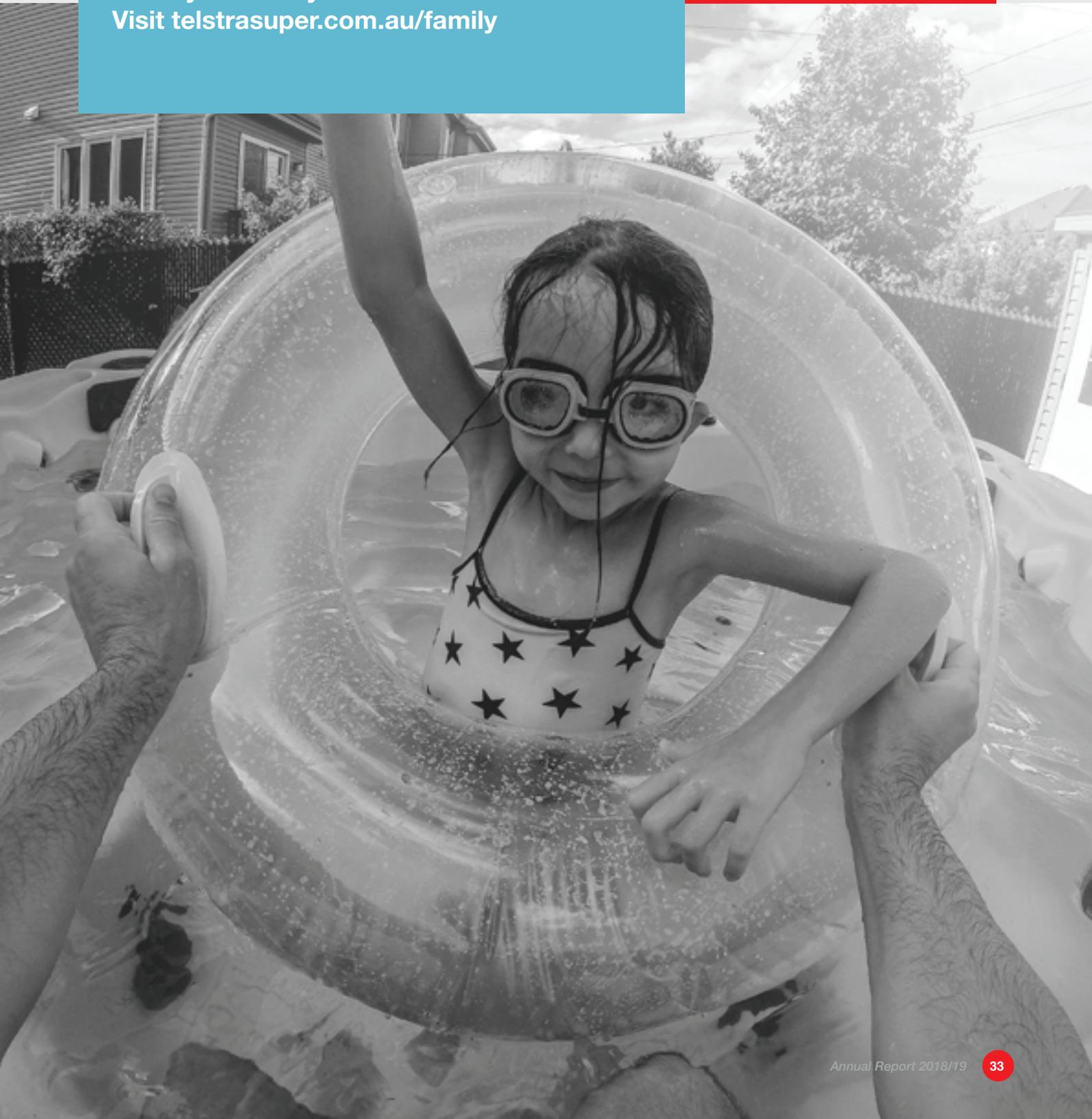
For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Cash flows from operating activities</b>		
Interest	150,885	148,788
Dividends and distributions	610,301	426,598
Property trust income	108,563	109,821
Other incomes	2,633	2,767
Investment expenses	(87,060)	(91,819)
Administration expenses	(50,635)	(59,669)
Group life insurance premiums	(40,625)	(39,328)
Insurance benefits credited to members' accounts	28,534	29,595
Income tax paid by operating activities	(59,570)	(91,994)
<b>Net cash inflows from operating activities</b>	<b>663,026</b>	<b>434,759</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales of investment assets	19,833,501	19,077,284
Purchases of investment assets	(20,097,760)	(19,514,141)
Purchase of property, plant and equipment	(1,808)	(2,543)
<b>Net cash outflows from investing activities</b>	<b>(266,067)</b>	<b>(439,400)</b>
<b>Cash flows from financing activities</b>		
Employer contributions received	534,263	587,568
Member contributions received	254,910	210,278
Government co-contributions received	2,016	2,138
Transfers from other superannuation funds received	696,957	569,492
Transfers paid to other superannuation funds	(1,075,352)	(785,402)
Benefits paid to members and beneficiaries	(671,616)	(579,776)
Income tax paid by financing activities	(74,391)	(81,360)
<b>Net cash outflows from financing activities</b>	<b>(333,213)</b>	<b>(77,062)</b>
<b>Net increase/(decrease) in cash</b>	<b>63,746</b>	<b>(81,703)</b>
<b>Cash at the beginning of the financial year</b>	<b>1,562,005</b>	<b>1,643,708</b>
<b>Cash at the end of the financial year</b>	<b>1,625,751</b>	<b>1,562,005</b>

The audited fund accounts and the auditor's report for the 2018/19 financial year are available for download at [telstrasuper.com.au/annualreport](http://telstrasuper.com.au/annualreport) from 31 October 2019.

# The fund for all the family

If they're family to you they're family to us.  
Invite your family to share our benefits.  
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# Defined benefit members

If you're a member of TelstraSuper division 2, TelstraSuper division 5 or Sensis Super Plus defined benefit, all or most of your super is a defined benefit. Unlike an accumulation account, a defined benefit doesn't rely on investment returns to grow. Instead, your super is calculated using a formula that's generally based on your salary, your length of service with your employer and the rates at which you have been contributing to your super.

This means that investment returns do not impact the amount of super you get in retirement from your defined benefit. However, TelstraSuper invests both employer and member defined benefit contributions in accordance with TelstraSuper Pty Ltd's defined benefit investment objectives and strategies.

## Our defined benefit investment objectives

- to earn the best possible returns within an appropriate level of risk
- to maintain TelstraSuper's financial viability within the current benefit design and employer contribution rate.

## Our defined benefit investment strategy

- to control the level of risk by investing in a broad range of quality investments
- to reduce risk by using a range of Australian and international investment managers who specialise in cash, fixed interest, shares, alternative asset classes and property
- to ensure there are sufficient funds to meet the required payment of defined benefits.

## Defined benefit net earning rate

The defined benefit net earning rate was 3.65% on our investment portfolio for 2018/2019.\*

# Governance

TelstraSuper takes governance, disclosure and transparency seriously. We have strict governance policies and are required by law to disclose information and documents relating to the Telstra Superannuation Scheme, and Telstra Super Pty Ltd as Trustee for the Scheme, along with the remuneration details of its Directors and Executive Team.

Below is a description of the information you can find on our Governance page at [telstrasuper.com.au/governance](http://telstrasuper.com.au/governance).

- Trust deed
- Special Determinations
- The Constitution
- About the Directors and Executive Team
- Defined benefit actuarial reports
- Disclosure documents
- Significant Event Notices (SENs) and Material Change Notices
- Information about our range of specialist service providers
- Conflicts Management Framework
- Proxy voting policy.

\*Investment management fees and tax are deducted from the gross earnings before setting the net earning rate. Past performance is not a reliable indicator of future performance.

Reach  
your  
goals

The one thing you should plan for in life is your financial future. TelstraSuper Financial Planning offers a range of financial advice options. From simple general advice about your TelstraSuper account over the phone at no additional cost to comprehensive advice, we're here to help you reach your financial goals.

Call 1300 033 166

# Investment managers

as at 30 June 2019

TelstraSuper Pty Ltd invests with a range of external specialist investment portfolio managers. We also utilise internal investment managers for Australian Equities, Australian Fixed Interest, Property, Infrastructure, Private Equity, Cash, Currency Overlay and Asset Allocation Overlay.

## Alternative Debt

- Barings LLC
- Bentham Asset Management Pty Ltd
- Loomis, Sayles & Company, L.P.

## Asset Allocation

- Challenger Investment Solutions Management Pty Ltd

## Australian Equities

- Alliance Bernstein Investment Management Australia Limited
- Martin Currie Investment Management Ltd
- Pandal Institutional Limited
- Perpetual Investment Management Limited
- Schroder Investment Management Australia Limited
- Spheria Asset Management Pty Ltd
- Telstra Super Pty Ltd

## Australian Fixed Interest

- Kapstream Capital Pty Ltd
- ME Portfolio Management Limited
- Pimco Australia Pty Limited
- Telstra Super Pty Ltd
- Western Asset Management Company Pty Ltd

## Cash

- Kapstream Capital Pty Ltd
- Pandal Group Limited
- Telstra Super Pty Ltd

## Credit

- Pimco Australia Pty Limited
- Wellington Management Australia Pty Ltd

## Currency Overlay

- Insight Investment International Management Pty Ltd
- Telstra Super Pty Ltd

## Hedge Funds

- Arrowgrass Investment Management LLP
- BFAM Partners (Cayman) Limited
- Carlson Capital LP
- Caxton Associates LP
- Davidson Kempner International Advisors, LLC.
- Pacific Alliance Investment Management Limited
- Pharo Global Advisors Limited
- Pine River Capital Management LP

- Scopia Capital Management LLC
- Winton Capital Management Limited

## Infrastructure

- Atlas Infrastructure (Australia) Pty Ltd
- First State Investments International Limited
- Global Infrastructure Management LLC
- JP Morgan Investment Management Inc.
- Morrison & Co Utilities Management (Australia) Pty Ltd
- QIC Limited
- RARE Infrastructure Limited
- Telstra Super Pty Ltd
- Whitehelm Capital Pty Ltd

## International Equities

- Artisan Partners Limited Partnership
- Bell Asset Management Limited
- Longview Partners (Guernsey) Limited
- LSV Asset Management
- MFS International Australia Pty Ltd
- Morgan Stanley Investment Management (Australia) Pty Ltd
- Nikko AM Limited
- Paradise Investment Management Pty Ltd
- Pzena Investment Management LLC
- Schroder Investment Management Australia Limited
- Talaria Asset Management Pty Ltd
- TT International (Hong Kong) Limited

## International Fixed Interest

- Pimco Australia Pty Limited
- Western Asset Management Company Pty Ltd

## Opportunities

- Berkshire Property Advisors LLC

## Private Equity

- Adam Street Partners LLC
- Advent Management Group
- Affinity Equity Partners Limited
- Angeleno Group LLC
- Archer Capital Pty Ltd
- Audax Private Equity Business VI, L.P.
- Brandon Capital Partners

- Catalyst Investment Managers Pty Ltd
- CHAMP III Management Pty Limited
- Champ Ventures Pty Limited
- CIM Group LLC
- Cinven Capital Management (VII) Limited Partnership Incorporated
- Clayton, Dubilier & Rice, LLC
- Committed Advisors SAS
- Doughty Hanson & Co Managers Limited
- Fortress Investment Group LLC
- Global Infrastructure Partners
- Goldman Sachs Asset Management LP
- HarbourVest Partners LLC
- HayFin Capital Management Limited
- IP Group PLC
- Knightsbridge Advisers LLC
- Mid Europa Funds Management Limited
- Montagu Private Equity LLP
- Northgate Capital Partners LLC
- Oaktree Capital Management LP
- Quadrant Private Equity Pty Ltd
- ROC Partners Pty Ltd
- Siguler Guff & Company LLC
- Sun Capital Partners Inc.
- TA Associates XIII GP, L.P.
- Telstra Super Pty Ltd
- The Blackstone Group
- Vista Equity Partners Fund VII GP, L.P.
- Wilshire Australia Pty Ltd

## Property

- AMP Capital Investors Limited
- APN Funds Management Limited
- BlackRock Investment Management (Australia) Limited
- Brookfield Public Securities Group LLC
- Charter Hall Group
- Franklin Templeton Investments Australia Limited
- Invesco Ltd
- Kayne Anderson Core Real Estate Advisors, LLC
- Lend Lease Real Estate Investments Limited
- Telstra Super Pty Ltd

# Our people

At TelstraSuper we understand the invaluable role our people play in helping our members build a financially secure future.

## Our Values

Our values serve as a compass for our actions and show how we work every day to help our members save for the retirement they want.



## Creating a vibrant, empowered and inclusive workforce

At TelstraSuper we provide our people with the tools and knowledge to be successful in their roles so that they can support the overarching business strategy – that is creating the best possible retirement outcomes for our members. We have a robust Diversity & Inclusion strategy that acts as a roadmap embodying our core values, fostering collaboration, flexibility and fairness.

We have a strong focus on employee wellbeing and encourage people to bring their whole authentic self to work. We understand that that if people feel connected to work, they have a greater sense of purpose. We also see the benefits that continuous learning and personal growth can offer both the individual and the wider business, including higher staff engagement. Engaged staff are better informed, more proactive and can provide a higher level of service for the member.

## Giving Back

Employees at TelstraSuper have highlighted the importance they put on giving back to the community. During the 2018/19 financial year, TelstraSuper ran monthly fundraising events for a variety of different charities. This saw employees raise over \$6,500 of their own money for charities such as Beanies for Brain Cancer, First Nations Foundation, Buy a Bale, St Kilda Mums, Guide Dogs Victoria, Smith Family and Australian Conservation Foundation. TelstraSuper also continues to support the Women in Super Mother's Day Classic.



## Our workplace

47% female employees – working towards 50/50

Around one fifth of employees take advantage of formal flexible working arrangement - informal flexibility offered for all roles.

100% of employees returned from primary carers leave

### **Employer of Choice for Gender Equality**

We are delighted to announce that TelstraSuper has been recognised as a 2018-2019 Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality.

This citation recognises our active commitment to achieving gender equality and its leadership in driving positive change for an inclusive workplace.

Trends amongst recipients of the citation this year include initiatives such as flexible work, development opportunities, analysis and correct of gender pay gaps, and parental leave programs for both men and women.

# Important information

## TelstraSuper trust deed changes

The TelstraSuper trust deed sets out the rules by which TelstraSuper is managed. There were no amendments made to the trust deed during the 2018/19 financial year.

You can obtain a copy of the TelstraSuper trust deed online at [telstrasuper.com.au/governance](http://telstrasuper.com.au/governance).

## Surcharge

The Government abolished the superannuation surcharge from 1 July 2005. However, surcharge assessments may still be issued for 2004/2005 and previous financial years.

If you have an accumulation account and we received a surcharge assessment for you, the amount of your surcharge assessment was deducted from your accumulation account.

If you are a defined benefit member, any surcharge applicable to your defined benefit was recorded in your Surcharge Account. You may have chosen to pay an amount equal to the amount of the surcharge, which Telstra Super Pty Ltd then applied against your Surcharge Account. If you didn't pay the amount in your Surcharge Account by the date nominated on your assessment, interest will be charged to this account. The balance of this account will be deducted from your final benefit when you cease to be a defined benefit member. The surcharge interest rate\* for 2018/19 was 1.32%.

\* This rate is based on the Commonwealth Government 10-year bond yield as at the previous 30 June, rounded to the nearest 0.25%.

## TelstraSuper's advisers

We use external professional advisers to ensure that TelstraSuper continues to operate correctly and efficiently. TelstraSuper's key advisers for the year to 30 June 2019 are listed below.

**Actuarial advisers** Willis Towers Watson

**Asset consultant** JANA Investment Advisers Pty Ltd and Albourne Partners

**External auditors** Ernst & Young

**Internal auditors** KPMG

**Principal legal advisers** HWL Ebsworth Lawyers

**Master custodian** JPMorgan Chase Bank, N.A., Sydney branch

## Reserves

The Trustee maintains a number of reserves: an Insurance Reserve, an Administration Reserve and an Operational Risk Financial Reserve (ORFR).

All reserves are managed in accordance with Telstra Super Pty Ltd's Reserves Policy. The ORFR is invested in a combination of:

- Cash, cash-like securities, and/or term deposits with major Australian banks (approx. 50%); and
- Exchange-traded funds that track the performance of Australian and international shares (approx. 50%).

The Insurance Reserve forms part of the defined benefit investment strategy of the Fund. The Licensing Reserve and Administration Reserve are held in cash deposits. The total value of all reserves in the Fund in each of the last three years was as follows:

- 30 June 2019: \$119,186,000
- 30 June 2018: \$109,412,000
- 30 June 2017: \$99,222,000

For further information about the reserves in the years ending 30 June 2019, 2018 and 2017, refer to the Financial Statements found at [telstrasuper.com.au/financialstatements](http://telstrasuper.com.au/financialstatements).

## Derivatives

A derivative is a financial contract, the value of which depends on or is derived from assets, liabilities or indices (the underlying asset). Derivative transactions include a wide assortment of instruments such as forwards, futures, options, share ratios, warrants, swaps and other composites. The use of derivatives in external and internal investment mandates is authorised under TelstraSuper's trust deed. Use of derivatives for gearing or speculative purposes is prohibited.

The responsible and properly managed use of derivatives assists Telstra Super Pty Ltd to achieve its investment objectives for the Fund. Derivatives are used principally to:

- reduce volatility
- reduce transaction costs, and
- change asset allocation in a timely and cost-effective manner.

Telstra Super Pty Ltd monitors the use of derivatives by:

- internal controls
- internal audit
- external auditors, and
- an external custodian.

## Indemnity and fidelity insurance

Telstra Super Pty Ltd has taken out indemnity and fidelity insurance to cover TelstraSuper against the financial effects of any wrongful acts that may be made by Telstra Super Pty Ltd's Directors, Executive Managers and employees while administering TelstraSuper.



### Temporary residents

A temporary resident is defined as someone who entered Australia on an eligible temporary resident visa (e.g. a subclass 457 visa) and who is not:

- an Australian or New Zealand citizen
- a permanent resident of Australia, or
- the holder of a Subclass 405 visa or a Subclass 410 visa.

For temporary residents, conditions of release to access your super changed on 1 April 2009. In summary, superannuation lump sums can now be paid to temporary residents whose visas have expired and who've permanently departed Australia. Tax will be withheld from the payment before it is made.

- If you haven't claimed your benefit within six months of departing Australia, it becomes 'unclaimed money' and Telstra Super Pty Ltd must pay it to the Australian Taxation Office (ATO)
- if your benefit is transferred to the ATO, you can apply to the ATO for your benefit.

Under the relief provided by ASIC Class Order 09/437, no exit statement will be provided to you at the time of, or after, the transfer of your benefit. Please contact us on 1300 033 166 if you'd like further information.

### Premium Adjustment Mechanisms

TelstraSuper does not receive money or other material benefits (other than claims payments for our members and related costs) from our insurer or reinsurer. The premium paid by members is directly for the cost of insurance, and avoids any conflict of interest between our members and our insurer.

If this arrangement ever changes, we will make you aware of this by updating this statement on our website and in our annual report, PDS and Insurance Guide. We may also issue you a Significant Event Notice directly.

### Member Education

As a part of the 'Financial Fitness' programs, there are multiple campaigns focused specifically on insurance. As a part of the on-boarding and redundancy programs, there is also a focus on insurance education.

Members are able to self-educate about insurance within superannuation by accessing our Insurance FAQs, Insurance Key Fact Sheets and Claims Information sheets via the TelstraSuper website.

### Disclaimers

The intent of this report is to provide useful information, not investment or financial advice, and the information should not be construed as investment or financial advice. Each member is ultimately responsible for making his or her own investment decisions and obtaining whatever assistance he or she deems necessary.

The information in this report is of a general nature only, and should not be construed as investment or financial advice. It's not intended to be, and is not, a complete or definitive statement of all matters outlined in it. Telstra Super Pty Ltd doesn't recommend that any member make decisions concerning superannuation arrangements based solely on this report.

Formal legal documents, called the governing rules, and relevant legislation ultimately govern the operation of the Telstra Superannuation Scheme (TelstraSuper). The central document is the TelstraSuper trust deed. Should there be any discrepancies between the information in this report and the governing rules, the governing rules will prevail.

Telstra Super Pty Ltd, ABN 86 007 422 522, AFSL 236709, is the Trustee of the Telstra Superannuation Scheme, ABN 85 502 108 833 (TelstraSuper).

References to TelstraSuper Financial Planning in this report are to TelstraSuper Financial Planning Pty Ltd (ABN 74 097 777 725), AFSL 218705. © Telstra Super Pty Ltd, October 2019



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