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# Growing together

for 25 years

**25**<sup>th</sup>  
anniversary

TelstraSuper   
— 1990–2015 —

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Annual Report 2014/2015

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# Building connections for 25 years

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1990 1997 1999 2002 2007

The Telecom Superannuation Scheme is established for Telecom employees.

Telstra Super introduces investment choice for eligible members with accumulation accounts. A choice of four investment options is offered - Growth, Balanced, Protected and Cash, with age-based defaults.

*Telstra Super RetireAccess*<sup>®</sup> is launched to provide an allocated pension for retired members.

Telstra Super Financial Planning Pty Ltd is established to provide financial planning advice exclusively to Telstra Super members and their partners.

Telstra Super signs on to the UN Principles for Responsible Investing.

This year we celebrate our 25th anniversary, the latest milestone in our proud history of looking after the retirement savings of our members. Over the last 25 years Australia has changed significantly, and your super fund has changed right alongside it. And like Australia, we have ultimately ended up in a strong position.

Below you can see some of our most significant milestones.

2011 2013 2014 2015

Telstra Super introduces a revised fee structure, which allows all accumulation members to enjoy the same competitive fees throughout their working lives and into retirement.

Telstra Super launches our 11th investment option, Direct Access, which offers members greater control of their super through investment in ASX 300 listed shares and a range of term deposits.

Telstra Super wins SuperRatings Fund of the Year and Super of the Year Awards.

Telstra Super's assets reach \$17 billion.



# About Telstra Super

**Telstra Super is an award-winning, not-for-profit superannuation fund, open to current and former employees of the Telstra Group and Telstra-approved employers (such as Telstra stores), and eligible members of their family.**

**We are Australia's largest corporate superannuation fund with over \$17 billion\* in assets invested on behalf of over 98,000 members.**

**We strive every day to deliver better outcomes for our members.**



## What we offer

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 listed securities and a range of term deposits
- a competitively priced retirement income stream for those already in, or close to, retirement
- a range of flexible insurance options
- access to expert financial advice through Telstra Super Financial Planning†
- 24/7 access to check and manage your account via *SuperOnline*
- member education seminars to help our members get the most out of their super.

## Our mission

We help our members build a financially secure future.

## Our values

- Members first: we see through the members' eyes as they are our reason for being.
- Mutual respect: we value diversity and openness, and treat ourselves and our members with respect.
- Empowerment: our people take personal accountability for actions and outcomes for our members.
- Challenge the norm: we are always motivated to be progressive for our members and act with the future in mind.

## Recognition

We are honoured to have been awarded the following commendations from both independent agencies and industry peers. These rewards validate our commitment to service, innovation and to remaining at the forefront of the industry.



For more information, see [www.telstrasuper.com.au/ourawards](http://www.telstrasuper.com.au/ourawards)

\* As at 30 June 2015

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



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### About this Annual Report

This Annual Report is for the 2014/2015 financial year and has been prepared by Telstra Super Pty Ltd for the Telstra Superannuation Scheme. The details in this report are accurate based on information known as at 1 October 2015.

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 is appropriate to your individual circumstances. Before making any decision, you should obtain and read the relevant Product Disclosure Statement which is available on the website or by calling **1300 033 166** between **8.00am** and **5.30pm** (Melbourne time) Monday to Friday.

[www.telstrasuper.com.au](http://www.telstrasuper.com.au)



**It's hard to believe that Telstra Super celebrated its 25th anniversary on 1 July 2015. Over the last 25 years, we have been busy building Australia's largest corporate super fund.**



## **Chris Davies**

Chief Executive Officer

### **Milestones and memories**

It was the Australian Government's privatisation of Telstra in the 1990s that led to the establishment of what was then the 'Telecom Superannuation Scheme'. The proceeds of the sale of Telstra assets were the basis for converting an unfunded Commonwealth pension scheme into what has grown to be Australia's largest corporate superannuation fund.

One of the biggest changes during this time must surely be technology. From mobile phones that looked like bricks to high speed broadband, the IT landscape has shifted beyond recognition. Twenty-five years ago, faxes were still the swiftest form of communication; email was in its infancy and Google and Wikipedia didn't even exist. Technology, whether for business processes and systems, or digital capabilities, is key to delivering quality products and benefits to members and continues to be a major focus for Telstra Super, as we aim to provide even greater service.

To be successful, a superannuation fund depends on a high-performing investment team to boost members' retirement savings. Throughout its history, Telstra Super has performed strongly, offering members a range of investment options and spearheading new product development and initiatives, such as Defensive Growth, Diversified Income and Direct Access. This is aligned with our ability to offer first-rate, high-level financial advice.



We were one of the very first superannuation funds in Australia to do this. Since Telstra Super Financial Planning was established in 2002, it has provided quality financial guidance exclusively to Telstra Super members and their partners. With an in-depth understanding of Telstra Super's products, our Advisers interacted with over 17,000 members last year by phone or face-to-face on a wide range of strategies, including investment, super contributions and insurance. This personal, tailor-made approach allows members to plan ahead for a comfortable retirement.

During 2014, Telstra offered its employees in the Defined Benefit scheme the opportunity to voluntarily move to *Telstra Super Corporate Plus*, an accumulation division of the fund. We were committed to helping our members make the right decision for them, through providing detailed information and advice opportunities related to the member benefits, entitlements and choices available. Our sole purpose in this process was to enable our members to make a decision they were comfortable with, and we're pleased to have successfully delivered on this objective.

Our achievements were also recognised by the superannuation industry, including winning the prestigious SuperRatings Super of the Year Award 2015, against an impressive group of finalists. Our Chief Investment Officer, Jim Christensen, was also named CIO of the Year in the 2015 Conexus Financial Superannuation Awards. This well-deserved accolade demonstrates the success of his investment strategy for the fund.

Collaboration and teamwork allow organisations to grow, and the Telstra Super Board of Directors exemplifies the importance of sound governance through working together for a shared goal. The Board is comprised of member and employer representatives and this balance of viewpoints makes sure that members' interests are duly represented and that the fund is appropriately managed. The Board has overseen significant regulatory and legislative reform of superannuation in the last few years, and also endorsed

the development of Telstra Super's Strategic Business Plan in 2014, an important landmark that will pave the way for the fund's future growth.

In 1990, the Telecom Superannuation Scheme operated out of modest premises in Southbank with a handful of staff. Today, we employ over 200 people, with offices in Sydney, Brisbane and Adelaide, as well as our Melbourne headquarters. I frequently meet members of staff who have been with the organisation for 10 years or more. I'm gratified that we nurture a welcoming culture where employees feel valued, respected and empowered to do their best.

Since joining Telstra Super in 2013, I have been inspired by the passion and commitment of the employees I work with every day. Our common focus is to put our members first, and help them build a financially secure future. I congratulate all of our employees and as we embark on the next 25 years of Telstra Super, I thank you for your continued support.

**Chris Davies**  
Chief Executive Officer



**With the publication of the Financial System Inquiry (FSI) in December 2014, there has been much discussion within the superannuation industry as to the likely impact of new legislative and regulatory frameworks that could arise.**



**David Leggo**  
Chairman

Whatever the Australian Government's response to the FSI, we are well placed to implement possible changes with strong leadership and governance. The last financial year proved a difficult climate for investment, but we have continued to maintain strong returns, and to develop a range of benefits and services to help you plan for a secure and comfortable retirement.

### **Major projects**

A number of important projects were successfully implemented during the last year. Members will not necessarily be aware of SuperStream, part of the Federal Government's Super Reform package. This provides a consistent electronic method of transacting linked data and payments for superannuation. Efficiency and timeliness of processing of rollovers and contributions is increased, and SuperStream also reduces the number of lost accounts and unclaimed monies. To become SuperStream compliant has demanded much work behind the scenes to achieve the milestones we have met.

At the same time, the opportunity arose for our Defined Benefit members employed by Telstra to transfer to the *Telstra Super Corporate Plus* accumulation division of the fund. This was an important decision for many Telstra Super members, and I would like to thank everyone involved from Telstra Super and Telstra Financial Planning for providing expert guidance and assistance to support these members through this process.



## Governance and leadership

Since commencing with us as Chief Executive Officer in 2013, Chris Davies has continued to inspire the team with his enthusiasm and leadership. Chris oversaw the development of Telstra Super's Strategic Business Plan that was approved by the Board in 2014. This plan aims to deliver a set of objectives over several years. Following the approval of the Corporate Business Plan, management has focused on building the foundations of our long-term strategy. This includes the people and processes that underpin our successful investment team, the review and enhancement of our financial planning services and creating a roadmap for our products that support our member benefits. As well, we are ensuring that systems and processes are updated, audited, replaced and retired as needed. Critically, a long-term digital strategy will guide our move to providing greater online communications and interactions with members.

At the same time, Telstra Super's Senior Management Team has expanded, with a renewed focus on risk management and mitigation across all aspects of the fund.

Good governance and transparency continues to play a major part in the day-to-day management of the fund, and we take these obligations very seriously. Telstra Super follows best practice governance and disclosure guidelines and in doing so we put the interests of our members first. You can find out more about these practices on page 31.

The Board of Directors plays a major role in ensuring we meet legislative and regulatory obligations, and I would like to thank them once again for their enthusiasm, sound counsel and tireless work over the past year. They consistently demonstrate unwavering commitment to the fund and the best interests of our members.

I would like to recognise the work done by Gregg Rowley, who retired from the Board this year and thank him for his dedication and service. We wish him well in his future endeavours.

At the same time, I would like to formally welcome our newest Employer Director, Yolande Foord, to the Board of Directors. Yolande is the Executive Director of Remuneration & Benefits at Telstra Corporation Ltd; a role which sees her responsible for delivering and managing all aspects of remuneration, benefits and reward for almost 40,000 employees globally. The Board and I look forward to working with Yolande, as we oversee the execution of our strategic business plan.

## Happy anniversary!

In this 25th anniversary year of the fund's operation, we should celebrate and take the opportunity to reflect upon our achievements. In this time, we have built and developed a wonderful organisation to look after our members' savings. We have maintained satisfying growth during challenging financial climates and global downturns, through clear leadership and decisive action. Through it all, we have retained a passion for putting our members first. This is something I truly believe in and it's reflected in the faces of Telstra Super employees I meet. Our mission as a fund is to help you achieve the goals you set for your retirement. Every success we have achieved over the past year is due to you.

**David Leggo**  
Chairman



# Together we grow

Since 1990, Australia's population has grown from 17 million to almost 24 million – a huge change, considering the population in 1900 was just 3.7 million!<sup>†</sup>

Not only has our population grown and changed, but the world we live in now is very different too. Technology has helped to create a global market and has changed our day-to-day lives forever.

Telstra Super started with just under 20,000 Telecom staff as members and now we're Australia's largest corporate fund, looking after over 98,000 members and over \$17 billion in assets (as at 30 June 2015).



# Telstra Super membership grew **10 times faster** than the Australian population

Telstra Super members

Australian population

1990

**19,000**

1990

**17.07m\***

2015

**98,000**

2015

**23.85m\*\***

\* Source: Australian Bureau of Statistics 1301.0 - Year Book Australia, 2012, 24 May 2012

\*\* Source: Australian Bureau of Statistics Population Clock projection, 9 June 2015 at 10.07am

† Source: Australian Bureau of Statistics, 3141.0 - Population and Vital Statistics Bulletin No. 1. Determination of the Population of Australia, 31 Dec 1900 to 31 Dec 1906, page 22



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

The Board of Directors makes sure 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.

Telstra Super's Board of Directors for the 2014/2015 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 is 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 Telstra Super in July 2010.



#### Mark Hall

Employer Director

Mr Hall is Deputy Chief Financial Officer at Telstra Corporation Ltd and has worked in various finance, planning and performance analysis roles for the company since joining in 1992. He is also on the Board of TelstraClear, 1300 Australia and 3GIS. Prior to Telstra Corporation Ltd, he worked in chartered accounting, for the Commonwealth Government and Australian Airlines.

Mr Hall was appointed as a Director of the Trustee Board at Telstra Super in January 2012.



#### John Jamieson

Member Director

Prior to retiring in 2011, Mr Jamieson was an organiser for the Community and Public Sector Union (CPSU) for over a decade, representing staff and union members working at Telstra. He represented the CPSU in regard to the Australian Industrial Relations Commission and the Human Rights Commission as well as superannuation-related matters.

Mr Jamieson has formerly held a range of positions in Telstra, ANZ and Mayne Nickless Ltd and was also self-employed for a number of years.

Mr Jamieson was appointed as a Director of the Trustee Board at Telstra Super in February 2010.



**Ian McCarthy**  
Member Director

Mr McCarthy was the NSW Telecommunications and Services (T&S) Branch Secretary for the Communications Electrical Plumbing Union (CEPU), and also the chair for the NSW Communications Industry Training Advisory Board. Previously, he was a Technical Officer at Telstra Corporation Ltd and a Federal Industrial Officer for the Australian Telecommunications Employees Association.

Mr McCarthy was appointed as a Director of the Trustee Board at Telstra Super in July 2002.



**Bronwyn Clere**  
Employer Director

Ms Clere is Executive Director of Capital Planning for Telstra Corporation Ltd. Prior to joining Telstra in 2012, she has 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 was appointed as a Director of the Trustee Board at Telstra Super in December 2013.



**Carol Gee**  
Member Director

Ms Gee is the National Industrial/Research Officer for the communications division of the Communications, Electrical and Plumbing Union (CEPU). She has a long history of working with unions as an elected official and in delivering education and training courses.

Ms Gee is a qualified teacher and has taught at both primary and secondary schools.

Ms Gee was appointed as a Director of the Trustee Board at Telstra Super in November 2011.



**David Kirton**  
Employer Director

Mr Kirton is Executive Director of Business Enablement, Global Enterprises and Services at Telstra Corporation Ltd, and has worked in a range of Telstra business units at an executive level since joining Telstra in 1998.

Mr Kirton was appointed a Director of the Trustee Board at Telstra Super in September 2012.



**Michael Fisher**  
Member Director

Mr Fisher is the Superannuation Policy Officer at the Australian Council of Trade Unions (ACTU), where he has worked closely on recent reforms to the superannuation system. Prior to this, he served as a policy officer for the Public & Commercial Services Union in the UK.

Mr Fisher also served as a trustee director on the board of the Australian Government Employees' Superannuation Trust (AGEST) from 2010 until its merger with AustralianSuper in 2013.

Mr Fisher was appointed a Director of the Trustee Board at Telstra Super in September 2012.

**Gregg Rowley**  
Employer Director

Mr Rowley was appointed a Director of the Trustee Board at Telstra Super in May 2013.

Mr Rowley resigned from the Board of Directors on 3 June 2015.



## Senior Management Team

**The day-to-day administration and management of Telstra Super is the responsibility of the Senior Management Team.**

**All senior managers lead a business unit and carry responsibility for specific areas of fund operations.**

## To find out more

about our Directors and Senior Management Team, visit [www.telstrasuper.com.au/governance](http://www.telstrasuper.com.au/governance)



**Chris Davies**  
Chief Executive Officer

As Chief Executive Officer of Telstra Super, 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 & Claims Assessment Committee and is also a Director of Telstra Super Financial Planning.

Chris joined Telstra Super 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's experience in the financial services industry has developed over 30 years with senior roles at BT Financial Group, Commonwealth Bank and Colonial First State.



**Jim Christensen**  
Chief Investment Officer

Jim manages Telstra Super's investments which represent over \$17 billion and was named 2015 CIO of the Year at the Conexus Financial Superannuation Awards.

Jim joined Telstra Super in January 2010 as Chief Investment Officer and is responsible for analysing and assessing investment performance and ensuring members benefit from an efficient and cost-effective investment program.

Prior to this, Jim was Managing Director of Queensland Investment Corporation's (QIC) active management division and a senior economist at the Queensland Treasury.



**Paul Curtin**  
Chief Financial Officer  
General Manager, Strategy and Technology

Paul is responsible for all financial and taxation matters for Telstra Super and Telstra Super Financial Planning, and oversees the operation of the Finance, Strategy and Technology Unit. Paul also oversees the management of Telstra Super's Technology Solutions, Business Intelligence and Projects Office teams.

Paul attends meetings for Telstra Super's Audit, Risk & Compliance and Investment Committees, and is the fund's AML/CTF Compliance Officer.

Paul was appointed to his role with Telstra Super 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.



**Steve Miller**  
General Counsel and  
Company Secretary

Steve manages all legal matters for Telstra Super Pty Ltd. He is the Board's Company Secretary and the fund's Privacy Officer.

Steve also manages all legal matters and is Company Secretary for Telstra Super Financial Planning Pty Ltd.

Steve joined Telstra Super in 2002 and was appointed to his current role in 2008. Prior to joining Telstra Super, Steve practised law in a large private practice firm in Melbourne.



**Jean-Luc Ambrosi**  
General Manager  
Marketing

Jean-Luc manages the Marketing, Member Education, Partnership Relations and Product Development teams, and provides critical input and analysis to Telstra Super's business planning. Jean-Luc carries a wealth of experience in financial marketing including senior leadership roles with Vanguard, BlackRock and National Australia Bank. He is also the author of the book *Branding to Differ*, published in November 2013.

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



**Ivan Jones**  
General Manager  
Telstra Super Financial Planning

Ivan manages Telstra Super Financial Planning, which is responsible for providing members and their eligible family members with financial planning advice and other retirement planning services. He was appointed to the position in August 2011.

Ivan has extensive experience in the superannuation and financial planning industries, including spending 10 years in various positions across FuturePlus Financial Services.



**David Calistro**  
Head of Strategy and Technology

David is accountable for Telstra Super's strategic planning, data intelligence, information management and technology solutions, and is responsible for ensuring the business and technology capabilities and frameworks are effectively facilitating and enabling Telstra Super's strategic objectives.

David has over 10 years of experience working in the superannuation industry, having spent 6 years at one of Australia's leading superannuation and pension administration specialists as the Business Intelligence Manager. David joined Telstra Super in 2010 and was appointed to his current role in June 2014.



**Owen Brailsford**  
Chief Risk Officer

Owen manages Telstra Super's Risk and Compliance function. He 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.

Owen commenced his role with Telstra Super in January 2015, and brings with him over 17 years of international experience in risk management and regulatory roles in the superannuation, pensions and insurance industries. He has previously worked for the Australian Prudential Regulation Authority (APRA), Prudential PLC and RSA Insurance (both UK) and was most recently employed in a risk management advisory role at KPMG.



**Janet Traeger**  
General Manager  
People and Culture

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

Janet has expertise in managing transformational business change, and has a strategic focus in people leadership. She is motivated by empowering others to succeed and by 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.

**Gordon Williamson**  
General Manager  
Operations

Gordon managed the member service and administration functions of the fund, including the contact centre, pensions, transactional processing, employer services, insurance and benefit payments.

Gordon resigned from the fund effective 28 August 2015.

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# Creating wealth

Over the last 25 years the Australian economy has grown steadily overall. However, there have been periods of flux, such as the mining boom and the Global Financial Crisis.

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After experiencing a slowdown in productivity growth in the 1970s and 1980s, the 1990s brought a period of recovery to the domestic economy. And as of January this year, Australia can boast 23 years of uninterrupted economic growth at an average annual rate of 3.3 per cent.\*

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In the superannuation world, the current pool of \$1.8 trillion dollars in national super savings has surpassed our national GDP – this is a world-leading situation.†

Closer to home, Telstra Super has also seen impressive growth in our funds under management, increasing

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from \$3.3 billion at the end of our first operational year to \$17 billion at 30 June 2015. This shows outstanding dedication from our staff, particularly our investment team, to helping our members build a financially secure future.

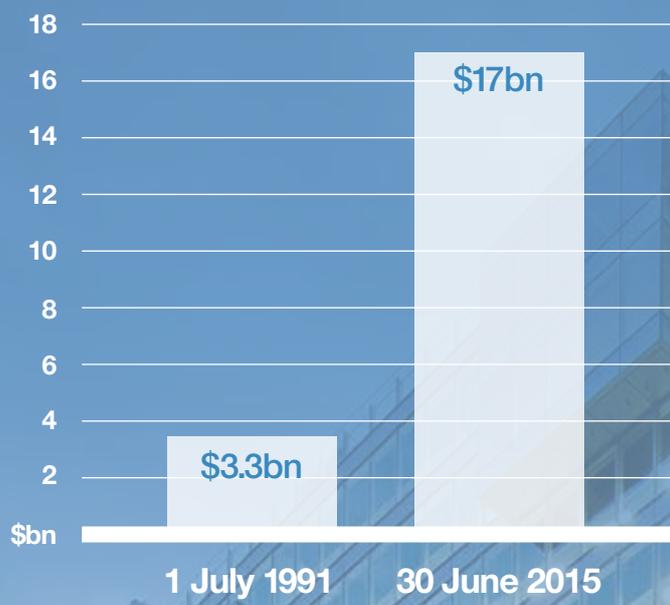
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\* Source: Australia's economy a shining example as it builds on 23 years of consistent growth, news.com.au, 27 January 2015

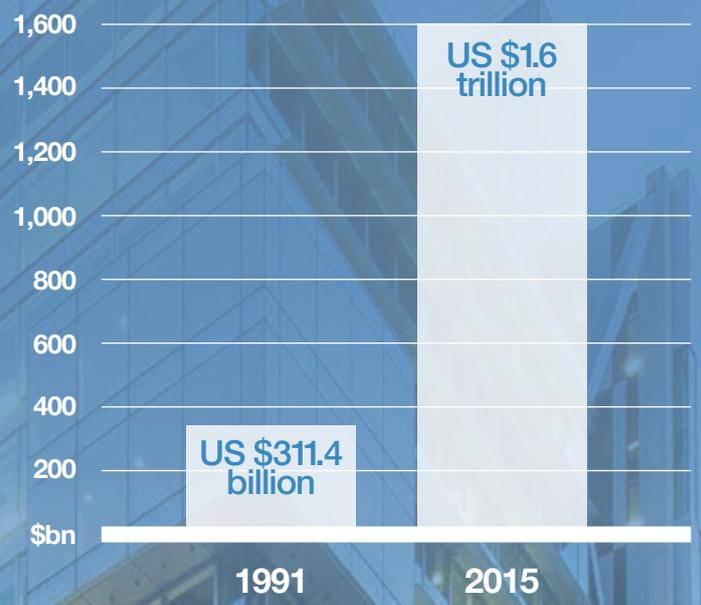
\*\* Source: Australia GDP 1960-2015, Trading Economics, 9 June 2015 <http://www.tradingeconomics.com/australia/gdp>

† Funding Australia - Superannuation and The Financial System, Industry Super Australia, March 2014

Telstra Super funds under management (FUM)



Australia's Gross Domestic Product (GDP)\*\*





# Achievements

in 2014/2015



## Strong investment returns

for our three default options\*

- 11.14%** MySuper Growth option
- 9.98%** MySuper Balanced option
- 7.12%** MySuper Conservative option



## Connecting the Telstra family

This year we extended Telstra Super membership to Telstra Licensee Store employees and their families, helping grow the fund.

## And the award goes to...

**Fund of the Year 2015**

by SuperRatings†

**2015 CIO of the Year**

Conexus Financial Superannuation Awards

**Super of the Year**

by SuperRatings†

**10 year Platinum Performance 2005–2015**

by SuperRatings†

**SuperRatings Platinum Pension 2015**

Telstra Super RetireAccess by SuperRatings†

**Finalist, Pension of the Year 2015**

by SuperRatings†

For more information, visit [www.telstrasuper.com.au/ourawards](http://www.telstrasuper.com.au/ourawards)



\* Past performance is not a reliable indicator of future performance. Based on the year to 30 June 2015

† Based on SuperRatings assessment methodology and pool of funds surveyed by SuperRatings. See [www.telstrasuper.com.au/ourawards](http://www.telstrasuper.com.au/ourawards) for more information, or visit [www.superratings.com.au](http://www.superratings.com.au)

‡ As at 30 June 2015

## Helping our members get the information they need

**554,841** visits to *SuperOnline*

**689,116** visits to our **website**

**59,643** phone calls from **members**

**17,000** members interacted with **Telstra Super Financial Planning** over the last year by phone or face-to-face

Introduced

**online account consolidation** for members

## Our investment journey...



1991

**\$3.3 billion**

funds under management



2015

**\$17 billion**

funds under management†



1991

**1**

investment option chosen by Telstra Super



2015

**11**

investment options for you to choose from





**The 2014/2015 financial year was another strong year for investment markets and Telstra Super's investment performance. This marked the third consecutive year of above-average returns across our diversified investment options.**

**Jim Christensen**  
Chief Investment Officer



Investment performance was underpinned by solid performance both in international equity markets and property. However, with continuing sluggish economic growth in prospect and equity market valuation at their long-term averages, future return expectations are being lowered across the superannuation industry.

## World

Global economic growth continued at a modest pace and offshore stock markets overall posted strong double-digit returns again this year. Financial conditions generally remained accommodative, with a low interest rate environment continuing world-wide.

The Australian dollar declined significantly against all major currencies, with the exception of the Euro this year.

Overall, world stock markets (MSCI World ex Australia Index) returned 10.9% on a currency hedged basis and 25.2% on a currency unhedged basis in Australian dollar terms. The US economy continued to grow at a steady pace and the US stock market returned 5.2% (S&P 500) in local currency terms.



Economic growth in Europe was positive but still weak, resulting in significant action by European policymakers aimed at stimulating the economy. The problems in Greece continued but until recently had limited impact on surrounding countries. Germany and France returned 11.3% (DAX Index) and 8.3% (CAC40 Index) respectively for the 2014/2015 financial year. Japan performed very well, returning 33.5% (Nikkei 225 Index), as major reforms aimed at stimulating the Japanese economy helped to improve investor confidence.

China's economic growth slowed in the past year but still remains higher than most major developed economies. The Chinese stock market rose by more than double (Shanghai Composite Index) last financial year. However, the market has declined sharply in recent months and continues to be a concern.

## Australia

As widely anticipated, the Australian economy has encountered slowing mining capital expenditure and falling commodity prices. These factors have negatively impacted Australia's terms of trade with the rest of the world and have materially contributed to a larger budget deficit than first forecast. Despite these weaker conditions, Australia's economy continues to grow at a modest pace assisted by record low interest rates and buoyant construction activity in New South Wales and Victoria.

In an environment of historically low interest rates, yield seeking investors have been forced from traditional yielding assets such as government bonds and cash deposits into equity markets where relatively attractive tax advantaged dividend yields can still be found. However, this is largely factored into Australian stock prices. A lower Australian dollar, lower oil prices, and a low interest rate environment are helping to create investor optimism and should serve to provide medium-term stimulus to corporate earnings.

## Strong investment returns for Telstra Super

Overall, we delivered strong results for the year, with our Growth option returning 11.14% and our Balanced option delivering 9.98% over the year to 30 June 2015. Our Conservative option returned 7.12% for the 2014/2015 financial year. These solid returns in our default investment options reflect the continued strong performance from world equity markets, property and some of our alternative investments.

In the coming year we anticipate that the Australian economy will continue to be impacted by lower commodity prices, while the global economy continues to recover slowly off a low base. We expect that markets will continue to react to economic news, including slowing growth in China and outcomes arising from the path of official US interest rates. After particularly strong investment market returns in recent years, the expectation is for more moderate returns. As always, the team at Telstra Super will continue to focus on delivering the best possible financial outcomes for our members.

**Jim Christensen**  
Chief Investment Officer



# Investment Performance

## Overview

A more detailed explanation of our investment options (apart from Direct Access) and their investment returns over the last five years (where available) starts on page 24. For information about Direct Access investment performance, go to page 29.

## Investment returns for 2014/2015

The table below shows the investment returns for members invested in a single investment option for the full financial year. If you switched investment options throughout the year, your investment return will not equal the figures below. If your super has been invested in a number of investment options, your investment return will depend on the relative combination of investment options you have chosen.

Investment option	Accumulation member returns*	Telstra Super RetireAccess member returns*
<b>Growth</b>	11.14%	12.04%
<b>Balanced</b>	9.98%	11.07%
<b>Diversified Income<sup>†</sup></b>	7.55%	8.12%
<b>Defensive Growth</b>	8.50%	8.78%
<b>Conservative</b>	7.12%	7.71%
<b>International Shares</b>	16.65%	17.81%
<b>Australian Shares</b>	5.43%	5.24%
<b>Property</b>	10.78%	12.99%
<b>Fixed Interest</b>	3.90%	4.52%
<b>Cash</b>	2.47%	2.79%

## Tools to help you manage your investments

Making decisions about your investments can be easier when you have the numbers in front of you. These easy-to-use tools available at [www.telstrasuper.com.au](http://www.telstrasuper.com.au) may help.



### Investment Performance Graph

An industry-leading tool which lets you see how Telstra Super's suite of investment options have performed on a monthly basis, dating back to when the options first commenced.



### Telstra Super Simulator

This interactive retirement income calculator allows you to estimate your projected super balance and whether you are likely to have an adequate retirement income. If you use the Simulator within *SuperOnline*, your details are populated automatically.



### Unit Price Graph

This graph allows you to track daily movements of the unit price for all our investment options. You are able to overlay these options on a colour-coded graph, with comparisons over a range of timeframes.

\* Investment fees (also referred to as indirect investment costs) and taxes (where applicable) have been deducted before calculating these figures, direct and indirect administration fees were not. *Telstra Super RetireAccess* investment returns are different to accumulation member returns because they are not subject to tax. The investment returns shown above for the Growth, Balanced and Conservative options (which form stages of Telstra Super's MySuper arrangement) are different to those appearing in the MySuper Product Dashboard (available on our website), which are displayed net of administration fees, indirect administration costs, indirect investment costs and investment taxes. For more information on our MySuper arrangement, go to page 29. Past performance is not a reliable indicator of future performance.

† 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.

## How your super performed this year

Investment returns are allocated to your super account based on the daily 'sell' unit price of the investment option(s) you are invested in. You can check these on our website daily.

### Unit prices

The opening and closing sell unit prices for units in each of the investment options for the 2014/2015 financial year are listed below.



## What is a unit price?

When you invest in the share market, your money buys you a certain number of shares.

Your super works in much the same way. The money you put into your account buys you a certain number of 'units'. Therefore, the value of your super, like the value of your share portfolio, depends on the price of each unit you hold.

The price of each unit is shown through the 'unit price', and can change on a daily basis.

Investment option	Accumulation*		Telstra Super RetireAccess†	
	1 July 2014 opening unit price	30 June 2015 closing unit price	1 July 2014 opening unit price	30 June 2015 closing unit price
<b>Growth</b>	2.35583	<b>2.61242</b>	2.65306	<b>2.96593</b>
<b>Balanced</b>	2.31681	<b>2.54236</b>	2.60121	<b>2.88280</b>
<b>Diversified Income‡</b>	1.16505	<b>1.20365</b>	1.17962	<b>1.21770</b>
<b>Defensive Growth</b>	1.42804	<b>1.54602</b>	1.47655	<b>1.60267</b>
<b>Conservative</b>	1.95867	<b>2.09347</b>	2.15446	<b>2.31545</b>
<b>International Shares</b>	2.18113	<b>2.53871</b>	2.44388	<b>2.87286</b>
<b>Australian Shares</b>	3.08535	<b>3.24570</b>	3.52426	<b>3.70080</b>
<b>Property</b>	1.51971	<b>1.67988</b>	1.62119	<b>1.82768</b>
<b>Fixed Interest</b>	1.60444	<b>1.66337</b>	1.73583	<b>1.81022</b>
<b>Cash</b>	1.50914	<b>1.54301</b>	1.61877	<b>1.66027</b>

\* This unit price is applicable to *Telstra Super Personal Plus*, *Telstra Super Corporate Plus* and Voluntary Accumulation Accounts or other accumulation accounts held by defined benefit members. Percentage-based administration fees, tax and investment management fees have been deducted from these unit prices, but dollar-based administration fees, insurance and transaction costs as applicable have not.

† These unit prices include percentage-based administration fees and investment management fees, but exclude dollar-based administration fees, insurance and transaction costs as applicable. *Telstra Super RetireAccess* returns are not subject to tax.

‡ Unit prices include any accrued distribution amounts until they are paid into the accounts of eligible members effective the first day of each calendar month and are invested in the Cash option.



# Investment Performance

## Comparing our performance to others

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.

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. Data for funds surveyed by SuperRatings shows that for the 2014/2015 financial year Telstra Super surpassed the median for seven out of our 10 applicable investment options.

Our investment performance has been influenced by positive returns in our International Shares asset class over the last year, with this asset class also benefitting from the strength of foreign currencies against the Australian dollar. In contrast, we saw modest but positive returns on Cash.

Investment option	1 year		5 years	
	Telstra Super	Survey median	Telstra Super	Survey median
<b>Growth</b>	11.14%	10.71%	11.31%	9.77%
<b>Balanced</b>	9.98%	9.60%	10.50%	9.11%
<b>Diversified Income*</b>	7.55%	7.26%	N/A	N/A
<b>Defensive Growth</b>	8.50%	7.26%	9.67%	7.72%
<b>Conservative</b>	7.12%	5.66%	7.99%	6.40%
<b>International Shares</b>	16.65%	19.16%	12.86%	12.87%
<b>Australian Shares</b>	5.43%	5.70%	10.49%	9.19%
<b>Property</b>	10.78%	10.78%	9.66%	9.94%
<b>Fixed Interest</b>	3.90%	3.93%	5.58%	5.93%
<b>Cash</b>	2.47%	2.25%	3.33%	3.22%

\* The Diversified Income option was introduced on 1 July 2012, and as such, no long-term historical investment 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.

Source: SuperRatings Fund Crediting Rate Survey, June 2015. Find out more at [www.superratings.com.au/ratings](http://www.superratings.com.au/ratings). Growth: SR50 Growth Index. Balanced: SR50 Balanced Index. Diversified Income and Defensive Growth: Conservative Balanced Index. Conservative: SR50 Capital Stable Index. Australian Shares: SR50 Australian Shares Index. International Shares: SR50 International Shares Index. Property: SR25 Property Index. Fixed Interest: SR25 Diversified Fixed Interest Index. Cash: SR50 Cash Index.

Telstra Super's returns shown in this comparison relate to accumulation members or accounts and do not apply to *Telstra Super 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 12 month and 5-year period ending 30 June 2015 (where available). Past performance is not a reliable indicator of future performance.

## Defined Benefit members

**If you are a member of *Telstra Super Division 2, Telstra Super 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 does not rely on investment returns to grow. Instead, your super is worked out using a formula that is 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, Telstra Super invests both employer and member defined benefit contributions in line with the 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 Telstra Super'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 benefits.

### Defined Benefit net earning rate

The Defined Benefit net earning rate was 6.45% on our investment portfolio for 2014/2015.\*

\* 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.





# Investment Performance

Asset allocations as at 30 June 2014 and 30 June 2015 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 your relevant Product Disclosure Statement.

## Growth option

### 2014/2015 returns

11.14% Accumulation member returns  
12.04% *Telstra Super RetireAccess* member returns\*

### Investment strategy

The Growth option has a strong bias towards growth assets, such as Australian and international shares, and property, with a smaller allocation towards defensive assets such as fixed interest and cash.

### Return objective

Outperform CPI + 4%p.a.

### Investment timeframe

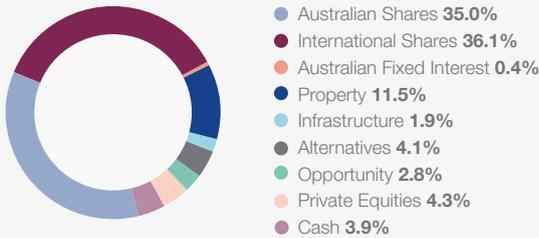
7 and 10 year periods.

### Risk objective

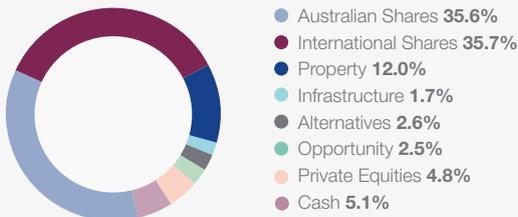
A high level of risk generating 4 to less than 6 negative annual returns over any 20-year period.

### Asset allocation

#### 30 June 2015



#### 30 June 2014



### Performance

Year	Accumulation member returns	<i>Telstra Super RetireAccess</i> returns*
2014/2015	11.14%	12.04%
2013/2014	17.99%	19.82%
2012/2013	19.62%	22.31%
2011/2012	-2.23%	-2.58%
2010/2011	11.40%	13.65%
5 year returns	11.31%	12.88%

\* *Telstra Super RetireAccess* investment returns are different to Accumulation member returns because *Telstra Super RetireAccess* returns are not subject to tax.

Past performance is not a reliable indicator of future performance.

## Balanced option

### 2014/2015 returns

9.98% Accumulation member returns  
11.07% *Telstra Super RetireAccess* member returns\*

### Investment strategy

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

### Return objective

Outperform CPI + 3%p.a.

### Investment timeframe

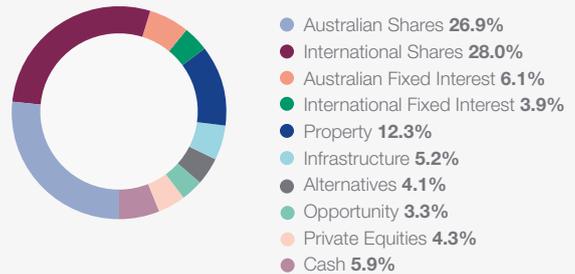
5 and 10 year periods.

### Risk objective

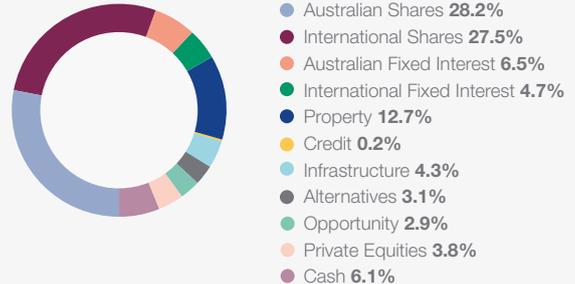
A high level of risk generating 4 to less than 6 negative annual returns over any 20-year period.

### Asset allocation

#### 30 June 2015



#### 30 June 2014



### Performance

Year	Accumulation member returns	<i>Telstra Super RetireAccess</i> returns*
2014/2015	9.98%	11.07%
2013/2014	15.81%	17.70%
2012/2013	16.91%	19.94%
2011/2012	0.00%	-0.02%
2010/2011	10.64%	12.57%
5 year returns	10.50%	12.03%

\* *Telstra Super RetireAccess* investment returns are different to Accumulation member returns because *Telstra Super RetireAccess* returns are not subject to tax.

Past performance is not a reliable indicator of future performance.

## Our investment objective

To build an investment portfolio to achieve the stated return within the stated risk parameters over the specified timeframe.

### Diversified Income option

#### 2014/2015 returns

7.55% Accumulation member returns  
8.12% *Telstra Super RetireAccess* member returns\*

#### 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 predominantly 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 timeframe

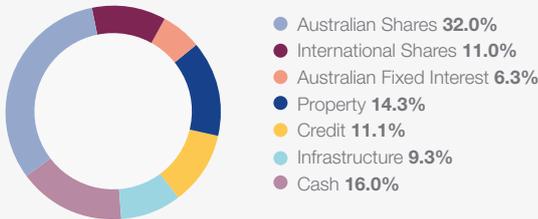
4 – 6 year period.

#### Risk objective

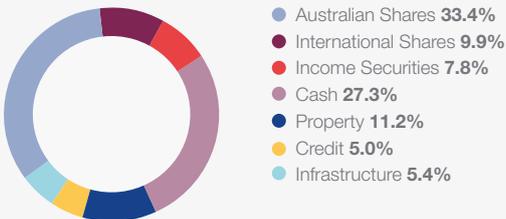
A high level of risk generating 4 to less than 6 negative annual returns over any 20-year period.

#### Asset allocation

##### 30 June 2015



##### 30 June 2014



#### Performance

Year	Accumulation member returns	<i>Telstra Super RetireAccess</i> returns*
2014/2015	7.55%	8.12%
2013/2014	10.67%	11.60%
2012/2013	14.84%	16.29%
2011/2012†	n/a	n/a
2010/2011	n/a	n/a
5 year returns	n/a	n/a

\* *Telstra Super RetireAccess* investment returns are different to Accumulation member returns because *Telstra Super RetireAccess* returns are not subject to tax.

† This option was introduced on 1 July 2012 and as such, investment returns are not available for prior periods.

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.

Past performance is not a reliable indicator of future performance.

### Defensive Growth option

#### 2014/2015 returns

8.50% Accumulation member returns  
8.78% *Telstra Super RetireAccess* member returns\*

#### 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.

#### Return objective

Outperform CPI + 2%p.a.

#### Investment timeframe

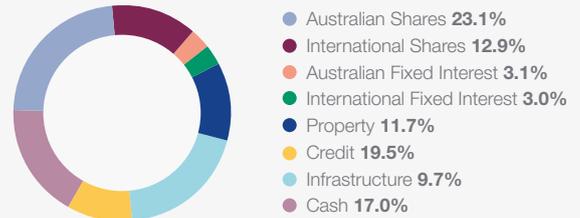
2 and 6 year periods.

#### Risk objective

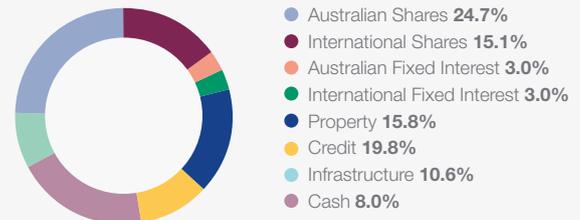
A medium to high level of risk generating 3 to less than 4 negative annual returns over any 20-year period.

#### Asset allocation

##### 30 June 2015



##### 30 June 2014



#### Performance

Year	Accumulation member returns	<i>Telstra Super RetireAccess</i> returns*
2014/2015	8.50%	8.78%
2013/2014	13.00%	14.35%
2012/2013	11.59%	13.33%
2011/2012	5.34%	4.45%
2010/2011	10.09%	11.54%
5 year returns	9.67%	10.43%

\* *Telstra Super RetireAccess* investment returns are different to Accumulation member returns because *Telstra Super RetireAccess* returns are not subject to tax.

† This option was introduced on 1 July 2010 and as such, investment returns are not available for prior periods.

Past performance is not a reliable indicator of future performance.



# Investment Performance

## Conservative option

### 2014/2015 returns

7.12% Accumulation member returns  
7.71% *Telstra Super RetireAccess* returns\*

### 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 some exposure to growth assets for long-term growth (return).

### Return objective

Outperform CPI + 2%p.a.

### Investment timeframe

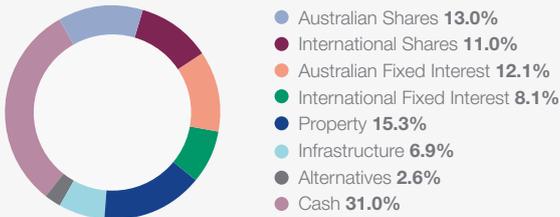
3 and 10 year periods.

### Risk objective

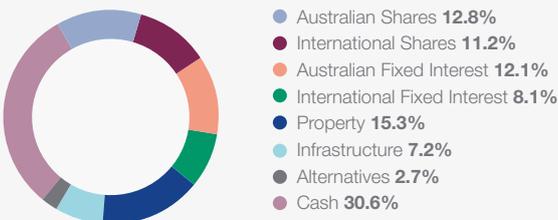
A medium level of risk generating 2 to less than 3 negative annual returns over any 20-year period.

### Asset allocation

30 June 2015



30 June 2014



### Performance

Year	Accumulation member returns	<i>Telstra Super RetireAccess</i> returns*
2014/2015	7.12%	7.71%
2013/2014	10.39%	11.50%
2012/2013	10.58%	12.36%
2011/2012	3.46%	3.96%
2010/2011	8.56%	9.91%
5 year returns	7.99%	9.05%

\* *Telstra Super RetireAccess* investment returns are different to Accumulation member returns because *Telstra Super RetireAccess* returns are not subject to tax.  
Past performance is not a reliable indicator of future performance.

## International Shares option

### 2014/2015 returns

16.65% Accumulation member returns  
17.81% *Telstra Super RetireAccess* returns\*

### 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 market.

### Return objective

Outperform CPI + 5%p.a.

### Investment timeframe

8 – 10 years.

### Risk objective

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

### Asset allocation

30 June 2015



30 June 2014



### Performance

Year	Accumulation member returns	<i>Telstra Super RetireAccess</i> returns*
2014/2015	16.65%	17.81%
2013/2014	19.93%	21.96%
2012/2013	25.23%	30.54%
2011/2012	-5.29%	-5.98%
2010/2011	10.35%	12.56%
5 year returns	12.86%	14.70%

\* *Telstra Super RetireAccess* investment returns are different to Accumulation member returns because *Telstra Super RetireAccess* returns are not subject to tax.  
Past performance is not a reliable indicator of future performance.

## Australian Shares option

### 2014/2015 returns

5.43% Accumulation member returns  
5.24% *Telstra Super RetireAccess* returns\*

### Investment strategy

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

### Return objective

Outperform CPI + 5%p.a.

### Investment timeframe

8 – 10 years.

### Risk objective

A very high level of risk generating 6 or more negative annual returns over any 20-year period.

### Asset allocation

30 June 2015



30 June 2014



### Performance

Year	Accumulation member returns	<i>Telstra Super RetireAccess</i> returns*
2014/2015	5.43%	5.24%
2013/2014	18.87%	20.33%
2012/2013	20.09%	23.58%
2011/2012	-4.22%	-5.13%
2010/2011	14.23%	16.21%
5 year returns	10.49%	11.52%

\* *Telstra Super RetireAccess* investment returns are different to Accumulation member returns because *Telstra Super RetireAccess* returns are not subject to tax.  
Past performance is not a reliable indicator of future performance.

## Property option

### 2014/2015 returns

10.78% Accumulation member returns  
12.99% *Telstra Super RetireAccess* returns\*

### Investment strategy

The Property option invests exclusively in property-based assets, including both listed property and direct 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 timeframe

5 – 7 years.

### Risk objective

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

### Asset allocation

30 June 2015



30 June 2014



### Performance

Year	Accumulation member returns	<i>Telstra Super RetireAccess</i> returns*
2014/2015	10.78%	12.99%
2013/2014	12.95%	14.76%
2012/2013	8.89%	10.84%
2011/2012	5.26%	6.41%
2010/2011	10.55%	12.58%
5 year returns	9.66%	11.48%

\* *Telstra Super RetireAccess* investment returns are different to Accumulation member returns because *Telstra Super RetireAccess* returns are not subject to tax.  
Past performance is not a reliable indicator of future performance.



# Investment Performance

## Fixed Interest option

### 2014/2015 returns

3.90% Accumulation member returns  
4.52% *Telstra Super RetireAccess* member returns\*

### 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 + 2%p.a.

### Investment timeframe

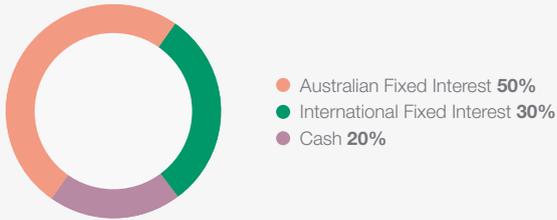
2 – 4 years.

### Risk objective

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

### Asset allocation

30 June 2015



30 June 2014



### Performance

Year	Accumulation member returns	<i>Telstra Super RetireAccess</i> returns*
2014/2015	3.90%	4.52%
2013/2014	5.77%	6.65%
2012/2013	4.41%	5.10%
2011/2012	7.67%	8.98%
2010/2011	6.20%	6.91%
5 year returns	5.58%	6.42%

\* *Telstra Super RetireAccess* investment returns are different to Accumulation member returns because *Telstra Super RetireAccess* returns are not subject to tax.

Past performance is not a reliable indicator of future performance.

## Cash option

### 2014/2015 returns

2.47% Accumulation member returns  
2.79% *Telstra Super RetireAccess* returns\*

### Investment strategy

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

### Return objective

Outperform CPI + 1%p.a.

### Investment timeframe

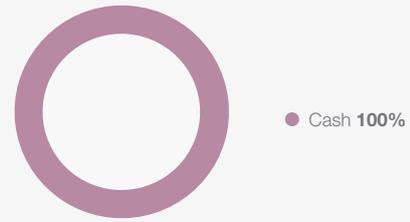
0 – 2 years.

### Risk objective

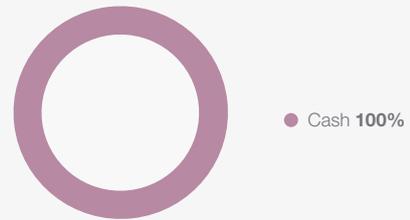
A very low level of risk generating less than 0.5 negative annual returns over any 20-year period.

### Asset allocation

30 June 2015



30 June 2014



### Performance

Year	Accumulation member returns	<i>Telstra Super RetireAccess</i> returns*
2014/2015	2.47%	2.79%
2013/2014	2.61%	3.01%
2012/2013	3.18%	3.70%
2011/2012	4.14%	4.84%
2010/2011	4.24%	4.97%
5 year returns	3.33%	3.86%

\* *Telstra Super RetireAccess* investment returns are different to Accumulation member returns because *Telstra Super RetireAccess* returns are not subject to tax.

Past performance is not a reliable indicator of future performance.

## 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/ASX 300 Index, and
- a range of approved term deposits.

### Return objective

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

### Investment timeframe

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
- Australian shares that form part of the S&P/ASX 300 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
- Australian shares that form part of the S&P/ASX 300 Index: very high risk.

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

### Investment performance

Investment returns depend on the investments (shares and term deposits) selected and are shown at an individual member level in member statements.

Direct Access is made available via an investment platform and facilitates investment in term deposits and shares. When you first register for Direct Access, you must transfer money from your Telstra Super account balance to the platform (note that a sell spread may apply to this transaction). A 'Cash Transaction Account' is designed to hold your money for short periods of time, until you transact. It will also be the account into which any net earnings from term deposits or shares are credited, so you can either invest them in Direct Access, or transfer them into one of our diversified or single asset class investment options.

Funds held within your Cash Transaction Account are deposited with ANZ and attract interest at a rate of 0.80% above the ANZ Official Cash Rate.

### Asset allocation

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
- Australian shares that form part of the S&P/ASX 300 Index: growth assets.

Please note that on 1 July 2015, other listed securities, such as certain Exchange Traded Funds (ETFs), were introduced into the Direct Access investment option.

## Telstra Super MySuper

MySuper is a default superannuation product introduced as part of the government's Stronger Super Reforms. Telstra Super's MySuper arrangement is offered with a lifecycle investment strategy within *Telstra Super Corporate Plus* and *Telstra Super Personal Plus*. You can find out more at [www.telstrasuper.com.au/mysuper](http://www.telstrasuper.com.au/mysuper)

## MySuper Growth option

### 2014/2015 returns

11.14% Accumulation member returns

### Investment strategy

The MySuper Growth option has a strong bias towards growth assets, such as Australian and international shares, and property, with a smaller allocation towards defensive assets such as fixed interest and cash.

### Return objective

Outperform CPI + 4% p.a.

### Investment timeframe

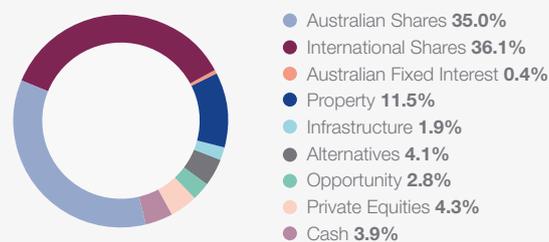
7 and 10 year periods.

### Risk objective

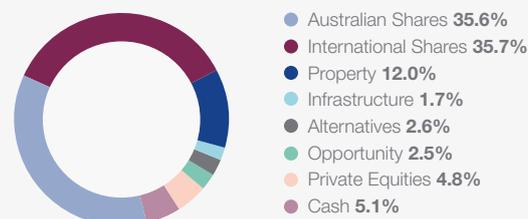
A high level of risk generating 4 to less than 6 negative annual returns over any 20-year period.

### Asset allocation

30 June 2015



30 June 2014



### Performance

Year	Accumulation member returns
2014/2015	11.14%
2013/2014	17.99%
2012/2013	19.62%
2011/2012	-2.23%
2010/2011	11.40%
5 year returns	11.31%

Past performance is not a reliable indicator of future performance.



# Investment Performance

## MySuper Balanced option

### 2014/2015 returns

9.98% Accumulation member returns

### Investment strategy

The MySuper Balanced option has a moderate bias towards growth assets, such as Australian and International Shares, and Property, balanced by an allocation towards defensive assets such as Fixed Interest and Cash.

### Return objective

Outperform CPI + 3% p.a.

### Investment timeframe

5 and 10 year periods.

### Risk objective

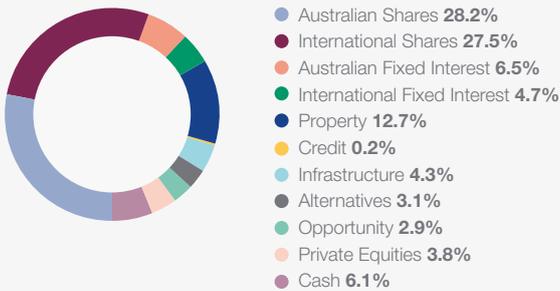
A high level of risk generating 4 to less than 6 negative annual returns over any 20-year period.

### Asset allocation

30 June 2015



30 June 2014



### Performance

Year	Accumulation member returns
2014/2015	9.98%
2013/2014	15.81%
2012/2013	16.91%
2011/2012	0.00%
2010/2011	10.64%
5 year returns	10.50%

Past performance is not a reliable indicator of future performance.

## MySuper Conservative option

### 2014/2015 returns

7.12% Accumulation member returns

### Investment strategy

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

### Return objective

Outperform CPI +2 % p.a.

### Investment timeframe

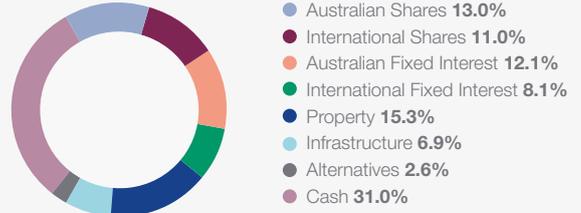
3 and 10 year periods.

### Risk objective

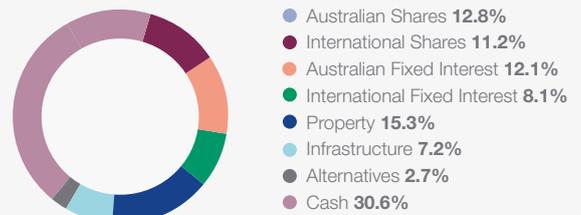
A medium level of risk generating 2 to less than 3 negative annual returns over any 20-year period.

### Asset allocation

30 June 2015



30 June 2014



### Performance

Year	Accumulation member returns
2014/2015	7.12%
2013/2014	10.39%
2012/2013	10.58%
2011/2012	3.46%
2010/2011	8.56%
5 year returns	7.99%

Past performance is not a reliable indicator of future performance.



**Telstra Super 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 Senior Management Team.**

Below is a description of the information you can find on our Governance page on our website.

[www.telstrasuper.com.au/governance](http://www.telstrasuper.com.au/governance)

- **Trust Deed**

The Trust Deed is a legally binding document that details how the Telstra Superannuation Scheme operates.

- **Special Determinations**

Special Determinations govern the more commonly exercised employer powers contained in the Trust Deed.

- **The Constitution**

The Constitution contains rules governing the operation of Telstra Super Pty Ltd as a company, and contains the rules relating to the nomination, appointment and removal of Trustee Directors.

- **About the Directors and Senior Management Team**

Here you can find information about our Directors and Senior Management Team.

- **Defined benefit actuarial reports**

Here you'll find the most recent actuarial report for each of our Defined Benefit divisions.

- **Disclosure documents**

This section holds documents such as the Telstra Super Product Disclosure Statements (PDSs) and annual reports, as well as the annual financial statement for the previous financial year and the Financial Services Guide (FSG).

- **Significant Event Notices (SENs) and Material Change Notices**

Here you will find a summary of Significant Event and Material Change Notices issued to members in the previous two years.

- **Information about our range of specialist service providers**

This section includes the name and ABN of each outsourced service provider which provides a material business activity to Telstra Super.

- **Conflicts Management Framework**

Telstra Super has a Conflicts Management Framework in place to enable it to identify all potential and actual conflicts that may arise in the course of its business operations and to take action to ensure that conflicts are prudently managed. This section includes a summary of key policies and registers which form part of our Conflicts Management Framework.

- **Proxy voting policy**

This policy sets out the Trustee's approach to active ownership of the shareholdings held on behalf of the Telstra Superannuation Scheme.

## So what does this mean for you?

By using best practice governance and disclosure practices, we are looking out for your best interests. Superannuation is serious, and we take our responsibility seriously.



# A place to call home

Australian home ownership has stayed somewhat consistent since the 1990s, with only a 4% decrease between 1991 and 2011. By comparison, Telstra Super has grown quite a lot, from the amount of staff we have to the amount of locations we can be found around the country.

We have moved homes a couple of times since we first began in Southbank, Melbourne; first to 485 La Trobe Street and in the late 90s, we relocated to our current Spring Street offices.

During this time, our employee group has grown significantly. In 1990,

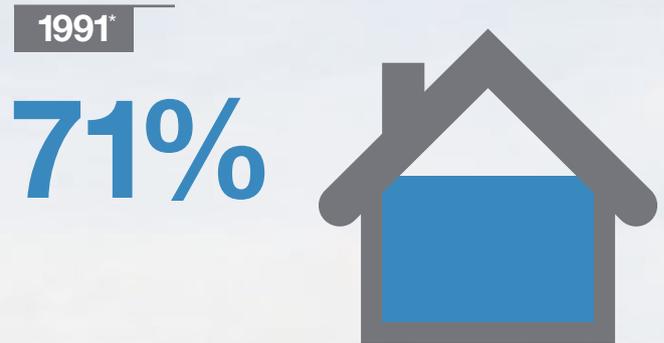
we started with less than 30 employees and now have over 200! With offices in Melbourne, Sydney, Brisbane and Adelaide, as well as dedicated Member Contact and Member Education teams, we are now able to help and support members all across Australia better than ever.



## Telstra Super head office



## Australian home ownership



\* Homes owned outright or owned with a mortgage, Australian Bureau of Statistics Census, 2011 <http://www.censusdata.abs.gov.au/>

† Homes owned and being purchased, Housing Stock: Housing the population 27/05/1994, Australian Bureau of Statistics 4102.0 - Australian Social Trends, 1994



Telstra Super invests with a range of external specialist investment portfolio managers. We also utilise internal investment managers for Property, Australian Fixed Interest Securities, Infrastructure, Cash, Currency Overlay, Asset Allocation Overlays and Private Equity.

**Our external investment managers are listed below.**

## Asset class specialisation

### Property

- AMP Capital Investors Limited
- APN Funds Management Limited
- Aveo Group Limited
- BlackRock Investment Management (Australia) Limited (formerly Macquarie Global Property Advisors Limited)
- Brookfield Investment Management Inc.
- Charter Hall Group
- Federation Centres Limited
- Fiduciary Trust International Australia Limited
- Lend Lease Real Estate Investments Limited
- Valad Property Group Pty Ltd
- Warakirri Asset Management Pty Ltd

### Australian Fixed Interest Securities

- Kapstream Capital Pty Ltd
- ME Portfolio Management Limited
- Western Asset Management Company

### Hedge Funds

- Carlson Capital LP
- Davidson Kempner International Advisors LLC
- MKP Capital Management LLC
- Och-Ziff Capital Management Group LLC
- Pine River Capital Management LP
- Winton Capital Management Limited
- York Capital Management Global Advisors LLC

### Australian Shares

- AllianceBernstein Investment Management Australia
- Airlie Funds Management Pty Ltd
- Antares Capital Management Limited (formerly Aviva Investors Australia Limited)
- BT Funds Investment Management (Institutional) Limited
- JCP Investment Partners
- Legg Mason Asset Management Australia Limited
- Perpetual Investment Management Limited
- Schroders Investment Management Australia Limited

### Infrastructure

- Hastings Funds Management Limited
- JP Morgan Investment Management Inc
- RARE Infrastructure Limited

### International Shares

- Artisan Partners Limited Partnership
- Copper Rock Capital Partners LLC
- Ironbridge Global Focus LLC
- Lazard Asset Management Australia Limited
- LSV Asset Management
- MFS Institutional Advisors (Australia) Limited
- MFS Institutional Advisors Inc
- Morgan Stanley Investment Management (Australia) Limited
- Paradise Investment Management Pty Ltd
- Pzena Investment Management LLC
- Treasury Asia Asset Management Limited
- Wingate Asset Management Pty Ltd

### Opportunities

- Apollo Global Management LLC
- Babson Capital Management

### International Fixed Interest Securities

- Brandywine Global Investment Management LLC
- Franklin Templeton Investment Australia
- PIMCO Australia Pty Ltd

### Cash

- BT Funds Investment Management (Institutional) Limited
- Kapstream Capital Pty Ltd

### Currency Overlay

- Insight Investment Management Limited

### Global Investment Grade Credit

- Omega Global Investors Pty Ltd
- PIMCO Australia Pty Limited

### Private Equity

- Adam Street Partners LLC
- Advent Private Capital Pty Ltd
- Angeleno Group LLC
- Archer Capital Pty Ltd
- Arclight Capital Partners, LLC
- Blackstone Management Associates LLC
- Catalyst Investment Manager Pty Ltd
- CHAMP III Management Pty Ltd
- CHAMP Ventures Pty Ltd
- Doughty Hanson & Co Managers Limited
- EMP Europe (CI) Ltd
- GBS Venture Partners
- Goldman Sachs Asset Management
- HarbourVest Partners LLC
- HayFin Management Limited

- Industry Funds Management Pty Ltd (formerly Hastings Funds Management Limited)
- Ironbridge Capital Management Pty Ltd
- Knightsbridge Advisors LLC
- MidEuropa Partner, LLP
- Montagu Private Equity LLP
- Northgate Capital, LLC
- Propel Investments Pty Ltd
- Oaktree Capital Management LP
- Quadrant Private Equity Pty Ltd
- ROC Partners Pty Ltd
- Siguler Guff & Company LP
- Stafford Private Equity Pty Limited
- Sun Capital Partners, Inc.
- Technology Venture Partners Pty Limited
- Wilshire Australia Pty Ltd

As at 30 June 2015, investments under the Telstra Super Domestic Cash Mandate exceeded 5% of the total fund assets.



# Information age

When Telstra Super started operating in 1990, there was no such thing as Google, Wikipedia, or Twitter. The information age has forever changed the world we live in.

The internet became publically available in 1991\* and the first web-based (webmail) service was introduced in 1996†. Since then, we've also seen the introduction of DVDs, text messaging, smart TVs and hybrid cars – just to name a few. While these new technologies have affected our lives in a myriad of ways, they have also transformed the ways we support our members.

We believe that keeping up with the best technology is key to delivering quality products and benefits to members. This continues to be a major focus for us, as we aim to provide even greater service long into the future.

## **Making super simple**

We're always looking for ways to help you better manage your super from the convenience of your own computer. That's why we're proud to say that our members can now consolidate their super online, so you'll no longer pay multiple fees for multiple super accounts.

**[www.telstrasuper.com.au/  
consolidate](http://www.telstrasuper.com.au/consolidate)**

\* thenextweb.com news, 20 years ago today, the World Wide Web opened to the public, 6 August 2011

† sixrevisions.com, The History of the Internet in a Nutshell, 15 November 2009

‡ Australian Bureau of Statistics, Use of the Internet by Householders, Australia, Nov 2000 (2002/2003)

§ Australian Bureau of Statistics, 8146.0 - Household Use of Information Technology, Australia, 25 February 2014



Household internet access

1997<sup>†</sup>

27%

2014<sup>§</sup>

83%

Telstra Super's secure member site, SuperOnline

launched  
in June

2002

554,841 visits in  
2014/2015

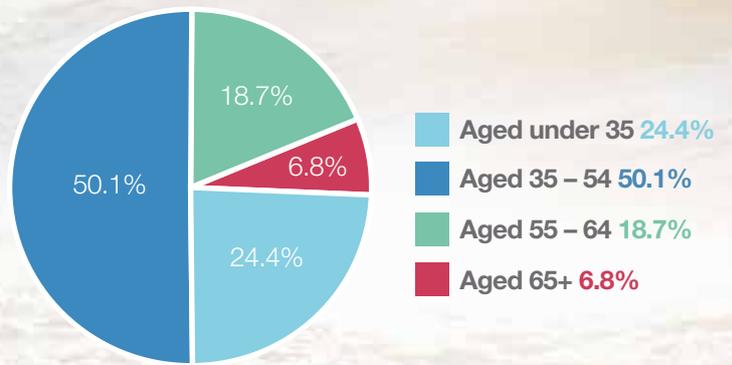




# Ageing gracefully

Over the past two decades, the number of Australians aged 85 years or over increased by 153%, compared with a total population growth of 32% over the same period.†

Telstra Super members‡



At Telstra Super, we want to help you at every step of your journey into retirement – whether it's right around the corner or far on the horizon.

But retirement is changing; particularly around how long we can expect to be retired for and how much money we may need. Life expectancy in Australia has improved dramatically, even since we first opened our doors – for example, a man who was age 45 in 2011-2013 is expected to live almost five years longer than a man who was age 45 in 1990-1992.\*

This rapidly changing landscape makes it even more important for us to have a firm focus on the future. We are committed to helping our members enjoy a financially secure future, and offer a wide range of products and services to help get you there.

Find out more by visiting [www.telstrasuper.com.au](http://www.telstrasuper.com.au)

\* Sources: ABS 2014a; ABS 2014b (Table S1).

† Source: Australian Bureau of Statistics '3101.0 - Australian Demographic Statistics, Jun 2014' 18/12/2014

‡ Source: Telstra Super member data, 30 June 2015



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## Trustee's Statement

In the opinion of the Directors of Telstra Super Pty Ltd (ACN 007 422 522), Trustee of the Telstra Superannuation Scheme (Telstra Super):

(a) the Financial Statements set out on pages 42 to 66 are properly drawn up so as to present fairly:

- (i) the Net Assets of Telstra Super as at 30 June 2015, and
- (ii) the Change in Net Assets for the year ended on that date,

in accordance with Australian Accounting Standards and other mandatory professional reporting requirements; and

(b) the operations of Telstra Super have been carried out in accordance with its Trust Deed dated 1 July 1990 (as amended) and the requirements of the *Superannuation Industry (Supervision) Act 1993* and *Regulations and the Corporations Act 2001* and Regulations and Guidelines during the year.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

**David Leggo,**  
Director

**Ian McCarthy,**  
Director

Dated at Melbourne, this 5th day of August 2015.



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## TELSTRA SUPERANNUATION SCHEME (ABN: 85 502 108 833)

### REPORT BY THE INDEPENDENT APPROVED AUDITOR TO THE TRUSTEE AND MEMBERS

#### Financial Statements

I have audited the financial statements of Telstra Superannuation Scheme for the year ended 30 June 2015 comprising the statement of net assets, statement of changes in net assets, summary of significant accounting policies, other explanatory notes and the Trustee statement.

#### Trustee's Responsibility for the Financial Statements

The superannuation entity's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted an independent audit of the financial statements in order to express an opinion on them to the trustee and members of Telstra Superannuation Scheme.

My audit has been conducted in accordance with Australian Auditing Standards. These Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Auditor's Opinion

In my opinion the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards, the net assets of Telstra Superannuation Scheme as at 30 June 2015 and the changes in net assets for the year ended 30 June 2015.

Ernst & Young

Brett Kallio  
Partner  
Melbourne  
5 August 2015



# Statement of Changes in Net Assets

for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>Investment revenue</b>			
Interest		135,148	106,148
Dividends and distributions		377,529	421,658
Property trust income		87,965	103,908
Other investment income		1,292	887
Movement in net market value of investments	<b>14</b>	406,910	1,359,269
Net foreign exchange gains		473,815	17,236
		1,482,659	2,009,106
<b>Contribution revenue</b>			
Employer contributions	<b>3, 8(a)</b>	546,286	509,613
Member contributions		207,366	165,666
Government co-contributions		2,448	2,394
Transfers from other funds		323,577	243,982
		1,079,677	921,655
<b>Other revenue</b>			
Group Life Insurance proceeds		21,552	23,552
Other income		11,369	9,196
		32,921	32,748
<b>Total revenue</b>		<b>2,595,257</b>	<b>2,963,509</b>
<b>Less:</b>			
Benefits paid		726,788	685,698
Investment expenses		62,432	77,890
Administration expenses	<b>12</b>	43,826	41,376
Group Life Insurance premiums		45,066	22,765
<b>Total expenses</b>		<b>878,112</b>	<b>827,729</b>
<b>Change in net assets before income tax</b>		<b>1,717,145</b>	<b>2,135,780</b>
<b>Income tax expense</b>	<b>15</b>	(119,079)	(180,477)
<b>Change in net assets after income tax</b>		<b>1,598,066</b>	<b>1,955,303</b>
<b>Net assets available at the beginning of the year</b>		<b>15,552,041</b>	<b>13,596,738</b>
<b>Net assets available at the end of the year</b>		<b>17,150,107</b>	<b>15,552,041</b>
<b>Less reserves</b>	<b>3, 5</b>	<b>67,604</b>	<b>69,367</b>
<b>Net assets available to pay benefits</b>		<b>17,082,503</b>	<b>15,482,674</b>

The accompanying notes form an integral part of the financial statements.



# Statement of Net Assets

as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>Assets</b>			
Cash and Cash Equivalents		1,728,604	1,813,810
Australian Fixed Interest Securities	20	2,750,215	3,032,102
International Fixed Interest Securities	20	752,870	98,276
Australian Equities	20	4,464,002	4,117,548
International Equities	20	3,939,974	3,383,585
Hedge Funds	20	600,038	371,177
Private Equity	20	911,659	847,943
Property	20	1,673,935	1,503,005
Infrastructure	20	593,326	434,549
Derivative assets	20	417,591	335,350
<b>Receivables</b>			
Investment income receivable		59,422	54,153
Contributions receivable		12,381	10,399
Other receivables		899	1,519
Prepayments		1,090	704
<b>Other assets</b>			
Property, plant and equipment	10	1,572	1,632
<b>Total assets</b>		<b>17,907,578</b>	<b>16,005,752</b>
<b>Liabilities</b>			
Benefits payable		521	160
Accounts payable	13	32,561	28,612
Derivative liabilities	20	461,156	231,969
Current income tax liabilities	15	3,647	13,454
Deferred income tax liabilities	15	259,586	179,516
<b>Total liabilities</b>		<b>757,471</b>	<b>453,711</b>
<b>Net assets</b>		<b>17,150,107</b>	<b>15,552,041</b>
<b>Less reserves</b>	3, 5	<b>67,604</b>	<b>69,367</b>
<b>Net assets available to pay benefits</b>		<b>17,082,503</b>	<b>15,482,674</b>

The accompanying notes form an integral part of the financial statements.



## NOTE 1

### Operation of the Scheme

Telstra Super was established by a Trust Deed dated 1 July 1990 to provide benefits for the employees of Telstra Corporation Limited (Telstra) and its related companies. The Deed has been amended from time to time. Telstra Super is a hybrid fund with both defined benefit and accumulation divisions. The defined benefit divisions are closed to new members. Telstra Super is domiciled in Australia and the address of the Scheme is 215 Spring Street, Melbourne, VIC 3000.

Benefits of members in the defined benefit divisions are calculated by way of formulae as defined in the Trust Deed. Benefits of members in the accumulation divisions are equal to the member account balance which is credited or debited each year with contributions, net investment income, expenses and income taxes.

The Trustee of the Scheme is Telstra Super Pty Ltd and it is the holder of a Registrable Superannuation Entity Licence (Licence No. L0001311). Telstra Super is a Regulated Fund in accordance with the SIS Act, and is a Registrable Superannuation Entity (registration No. R1004441).

## NOTE 2

### Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these Financial Statements are:

#### (a) Compliance with Australian Accounting Standards, the Trust Deed and legislative requirements

The Financial Statements are general purpose statements which have been drawn up in accordance with Australian Accounting Standards, including AAS 25 *Financial Reporting by Superannuation Plans* (AAS25), the Superannuation Industry (Supervision) Act 1993 and Regulations (the SIS Act) and the provisions of the Trust Deed.

The Financial Statements were approved by the Board of Directors of the Trustee on 5 August 2015. The Financial Statements are presented in Australian dollars, which is the functional currency of Telstra Super. Amounts have been rounded to the nearest thousand dollars except where otherwise noted. Certain comparative amounts within the Statement of Net Assets and the notes to the financial statements have been reclassified to conform with changes in Accounting Standards or the current year's presentation. Any such changes have had no impact on the net asset position or performance of the Scheme.

International Financial Reporting Standards (IFRSs) form the basis of Australian Accounting Standards. Since AAS25 is the principal standard that applies to the Financial Statements, other standards including AASB, are also applied where necessary except to the extent that they differ from AAS25.

No new standards have had an impact this financial year; however, AASB 1056 will apply from 1 July 2016. This new standard specifies requirements for general purpose financial statements of superannuation entities and results in significant changes to the presentation of financial statements, measurement and disclosure of defined benefit obligations and disclosure of disaggregated financial information. Key changes include:

- New presentation format, including the introduction of a statement of changes in member benefits to disclose member related transactions and the statement of changes in equity to disclose equity held in superannuation entities in the form of reserves.
- A requirement for the measurement and presentation of defined benefit obligations to be included in the statement of financial position. This would result in employer shortfalls being disclosed in the statement of financial position.
- Assets and liabilities to be measured at fair value in accordance with AASB 13 Fair Value Measurement with the exception of member benefits, tax assets/liabilities, insurance assets/liabilities and employer sponsor receivables.
- Increased alignment with other Australian Accounting Standards.

Management is currently assessing the requirements of AASB 1056 as there will be significant changes to the format and presentation of the financial statements.

#### (b) Cash and Cash Equivalents

Cash comprises on-demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

Cash and Cash Equivalents at 30 June 2015 comprised \$1,598m under custody with National Australia Bank, and \$130m held directly by Telstra Super (2014: \$1,741m and \$72m).

#### (c) Significant accounting judgements, estimates and assumptions

Preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates, and their underlying assumptions are reviewed on an ongoing basis. The key assumptions regarding investment valuations and deferred tax assets are disclosed in Notes 2(d) and 2(j).

The amount of accrued benefits has been actuarially determined based on certain estimates and assumptions. The key assumptions are discussed in Note 4.

Accounting standard AASB 10 Consolidated Financial Statements, deals with the issue of whether entities owned and/or controlled by another entity should be consolidated into the financial statements of the holding entity. Telstra Super meets the definition of an investment entity and therefore is not required to consolidate its investees. Refer to Note 16 for further details.

#### (d) Investments and derivatives

Investments and derivatives of Telstra Super are initially recognised at fair value plus transaction costs. After such initial recognition, investments and derivatives are measured at net market value as at balance date and movements in the net market value of these assets are recognised in the Statement of Changes in Net Assets in the period in which they occur.

Net market values of investments and derivatives have been determined as follows:

- shares in listed entities at the last sale price quoted by the Stock Exchange at close of business at balance date;
- fixed interest securities and short-term money market investments at prices quoted by independent pricing sources at close of business at balance date;
- interests in pooled investment vehicles including property, infrastructure, hedge funds, and private equity at the redemption price as quoted by the investment manager;
- interests in unlisted trusts and collective investment schemes at the most recent valuation obtained from the managers adjusted for subsequent calls, redemptions and any known differences in underlying values; and
- derivative financial instruments at market values at the close of business at balance date.

Estimated costs of realisation have been deducted in determining net market value. Net market value is considered a reasonable approximation of fair value.

Investments are held for the long-term purpose of providing benefits to members on their retirement, death or termination of employment.

Derivative assets and derivative liabilities qualify for offset where there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis and to realise the assets and settle the liabilities simultaneously.

#### (e) Receivables and other payables

Receivables are carried at nominal amounts due which approximate net market value. Receivables are normally settled within 30 days. An allowance for uncollectible amounts is only made where there is evidence of objective impairment. Such evidence may include indicators that the debtor is experiencing significant difficulty, default, delinquency, or appointment of a liquidator.

Other payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to Telstra Super and are carried at nominal amounts and are carried at nominal amounts which approximate net market value. Payables are normally settled within 30 days.

#### (f) Property, plant and equipment

Items of property, plant and equipment are either owned or leased under an operating lease. Owned items are recorded at cost and depreciated over their estimated useful lives to Telstra Super.

Depreciation rates for major categories	2015	2014
Computer software, development and equipment	25% – 40%	25% – 40%
Office furniture and equipment	7.5% – 35%	7.5% – 35%

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The assets' residual values, useful life and amortisation methods are reviewed, and adjusted if appropriate, each financial year. An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss from derecognition is included in the Statement of Changes in Net Assets in the year the asset is derecognised.

Operating leases are not capitalised and rental payments are charged to the Statement of Changes in Net Assets in the period in which they are incurred.

#### (g) Functional and presentation currency

Both the functional and presentation currency of Telstra Super is Australian dollars (\$).

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At balance date, monetary assets and liabilities denominated in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting currency translation differences are brought to account in determining the change in net market value of investments for the year.

#### (h) Benefits payable

Benefits payable comprises the entitlements of members who ceased employment prior to the year end but had not been paid their benefit at that time. Benefits payable are normally settled within 30 days.

#### (i) Administration expenses

Telstra Super is a self-administered fund and all administration expenses are paid directly by Telstra Super. Administration expenses are recognised in the period in which the expenditure is incurred.

#### (j) Income tax

Income tax expense for the year comprises current and deferred tax and is recognised in the Statement of Changes in Net Assets. Current income tax liability is the expected tax payable on the taxable income for the year less any instalment payments that have been paid as at balance date.



# Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

Deferred tax assets and liabilities are provided for using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The Scheme is currently in a net deferred tax liability position compared to a deferred tax asset position last financial year. These assets are recognised at tax rates of 15% for revenue account gains/losses and 10% for net capital gains.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at balance date.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxation authority.

Telstra Super is a Regulated Superannuation Scheme under the Superannuation Industry (Supervision) Act 1993 (the SIS Act) and accordingly is entitled to the concessional income tax rate of 15%.

## (k) Goods and Services Tax (GST)

Where applicable, GST incurred by Telstra Super that is not recoverable from the Australian Taxation Office (ATO) has been recognised as part of the expense to which it applies. Receivables and payables are stated with any applicable GST included in the value. The amount of any GST recoverable from, or payable to, the ATO is included as a receivable or payable in the Statement of Net Assets.

## (l) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the right to receive cash flows from the asset has expired or substantially all the risks and rewards of ownership of the asset have been transferred to another party. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

## (m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

### Changes in net market value

Calculated as the difference between the net market value at year end or consideration received (if sold during the year) and net market value as at the prior year end or cost (if the investment was acquired during the period).

### Contributions and transfers in

Recognised in the period in which the control and the benefit of the revenue has been attained and are recorded gross of any tax. Contributions consist of employer contributions, member contributions, and Government co-contributions.

## Interest

On an effective basis as it accrues, using the interest rate of the instrument calculated at the acquisition date.

## Group Life Insurance proceeds

Insurance claim amounts are recognised where the insurer has agreed to pay the claim lodged and has transferred the claim amount to Telstra Super.

## Dividends, distributions, and property trust income

When the right to receive payment is established.

## (n) Liability for accrued benefits

The liability for accrued benefits is actuarially measured on at least a triennial basis and represents the value of Telstra Super's present obligation to pay benefits to members and other beneficiaries at the date of measurement. The liability is determined as the present value of expected future benefit payments which arise from membership of Telstra Super up to the reporting date. The present value is reported in the notes and is determined in accordance with Guidance Note 454 issued by the Institute of Actuaries of Australia.

## (o) Employee entitlements

### Salaries, annual leave and sick leave

Liabilities for salaries (including non-monetary benefits) and annual leave are recognised in the provisions for employee entitlements and are represented by the amount that Telstra Super has a present obligation to pay at balance date. The provisions have been calculated based on remuneration rates that Telstra Super expects to pay when the employee entitlement is settled. Related on-costs are included. No liability for sick leave has been recognised, as it is non-vesting and no additional cost is incurred by staff absence. Sick leave is recognised when the leave is taken and is measured at the rates paid or payable.

### Long service leave

The liability for long service leave is recognised in the provision for employee entitlements and is measured as the present value of the estimated future cash outflows to be made by Telstra Super at balance date. Liabilities for employee entitlements that are not expected to be settled within 12 months are discounted using the rates attached to corporate bond securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee entitlements, consideration has been given to future increases in salary rates, Telstra Super's experience with staff departures, and the probability that employees as a group will achieve an unconditional qualifying period of service. Related on-costs have also been included in the liability.

### Superannuation Scheme

The employees of Telstra Super are eligible to be members of Telstra Super, and contributions are made on their behalf. The majority of staff are accumulation members, and contributions for these staff are charged as expenses as the contributions are paid or become payable. Contributions for staff, who are defined benefit members, are also charged as expenses when due and payable. The Trustee has no obligation or entitlement to any deficit/surplus and therefore AASB 119 has not been applied. Refer to Note 16(b) for details of the defined benefit surplus/(deficit).

## NOTE 3

### Funding arrangements

Funding requirements for the accumulation divisions of the Fund are determined by government legislation and the Trust Deed, whilst funding requirements for the Defined Benefit divisions of the Fund are impacted by various financial and demographic factors including investment earnings, salary inflation, and benefit claims experience.

The funding policy adopted in respect of the Defined Benefit divisions is directed at ensuring that benefits accruing to members and beneficiaries are fully funded as the benefits fall due. An actuarial investigation is carried out every three years. As at 30 June 2012, the Actuary for the Scheme, Mr K. O'Sullivan, FIAA completed an actuarial investigation of the Defined Benefit divisions of Telstra Super and reported that Telstra Super was in an unsatisfactory funding position. Under the SIS legislation, a fund is in an 'Unsatisfactory Financial Position' when vested benefits exceed the market value of assets.

As per the recommendations contained in the Actuary's report as at 30 June 2012, Telstra and certain associated employer sponsors have continued to make employer contributions to Telstra Super in respect of Defined Benefit and accumulation divisions of the Scheme at required rates. An actuarial investigation as at 30 June 2015 will be carried out prior to 30 June 2016 to determine appropriate rates going forward.

In accordance with an agreement (Funding Deed) entered into by the Trustee with Telstra, contributions to Telstra Super are made by Telstra under the Funding Deed that reflect Telstra's commitment to fund the Defined Benefit divisions assets at a specified level. The Funding Deed provides that Telstra's contributions to Telstra Super may cease when the Vested Benefit Index (VBI) – the ratio of fund assets to members' vested benefits of the Defined Benefit divisions of Telstra Super rises above 103% on monthly outcome averaged over a calendar quarter. Telstra has maintained contributions at a level above those required by the Funding Deed. Contributions were made at a rate of 9.50% for accumulation members for the entire year and 15% for defined benefit members. The VBI for the Defined Benefits divisions at 30 June 2015 calculated as a monthly outcome averaged over a calendar quarter was 112% (2014: 109%).

The Trustee has a group policy in place with a third party to insure death and disability benefits in excess of vested benefits. The Trustee also has an Insurance Reserve in place as part of this arrangement to ensure that any death and disability benefits that may not be covered by the group policy are funded. The amount of this and other reserves are disclosed in Note 5.

## NOTE 4

### Liability for accrued benefits

The liability for accrued benefits has been determined on the basis of the present value of expected future payments which arose from membership of the Fund as at the measurement date. The liability has been determined by reference to expected future salary levels and by the application of a market-based discount rate and relevant actuarial assumptions. The valuation of accrued benefits is undertaken by the Actuary on a triennial basis in accordance with Australian Accounting Standard AAS25 Financial Reporting by Superannuation Plans. The last triennial valuation of \$11,577.6m was as at 30 June 2012 and a summary of that report is attached to these statements. Updates are provided annually by the Actuary, and valuations for 30 June 2015 and 2014 are shown below.

	2015 \$'000	2014 \$'000
Liability for accrued benefits at 30 June	16,846,000	15,180,100

The main assumptions used to determine the actuarial value of accrued benefits at the last review date were:

- The future rate of net investment return on the Scheme's assets would be 4.3% (2014: 5.1%).
- The future rate of salary inflation would be 3.5% (2014: 3.5%).

The decreased gap between expected net investment returns and salary inflation compared to last financial year has, in the absence of other factors, resulted in an increase to the accrued benefits figure.



# Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

## NOTE 5

### Vested benefits and reserves

Vested benefits are benefits that are not conditional upon continued membership of Telstra Super and include benefits that members were entitled to receive had they terminated their membership at balance date. Refer to Note 3 for details of the funding arrangements with Telstra.

Accumulation members' vested benefits are fully funded and any surplus/(deficit) relates to the vested benefits in the Defined Benefit divisions.

At 30 June	2015 \$'000	2014 \$'000
<b>Net assets</b>	<b>17,150,107</b>	<b>15,552,041</b>
<b>Vested benefits</b>	<b>16,790,961</b>	<b>15,263,704</b>
Insurance Reserve	5,000	25,000
Operational Risk Financial Reserve	33,779	24,162
Administration Reserve	28,575	19,955
Licensing Reserve	250	250
<b>Total reserves</b>	<b>67,604</b>	<b>69,367</b>
<b>Surplus</b>	<b>291,542</b>	<b>218,970</b>
Increase/(decrease) in reserves for the financial year	(1,763)	18,017

The reserves provide the Trustee with access to funds to protect members' interests and mitigate the impact of an adverse event regarding the operational and insurance activities of the Scheme. The Trustee has allocated the amounts of \$5m for the purpose of maintaining a self-insurance reserve (down from \$25m in 2014 due to the transfer of insurance risk to an external insurer), and \$250,000 for a licensing reserve as required by the Trustee's RSE licence. Under APRA Prudential Standards, the Scheme is required to maintain an Operational Risk Financial Reserve (ORFR) of at least 0.25% of the Scheme's net assets. Under a transitional plan, the ORFR will be funded to the required level over a three year period from 1 July 2013. During the financial year an amount of \$8.768m was transferred from the Administration Reserve to the ORFR. A further \$14.780m, representing 85% of this year's operating surplus is expected to be transferred from the Administration Reserve to the ORFR during the next financial year. The change in the balance of the Administration Reserve reflects the allocation of this year's operating surplus of \$17.388m less a transfer to the ORFR during the year of \$8.768m. Transfers in and out of all reserves are made only at the authorisation of the Trustee and in accordance with the Scheme's Reserves Policy.

## NOTE 6

### Guaranteed benefits

No guarantees have been made in respect of any part of the liability for accrued benefits.

## NOTE 7

### Auditor's remuneration

	2015 \$'000	2014 \$'000
Amounts received, or due and receivable, by the auditor for:		
Auditing the Financial Statements	269	283
Other services	–	75
<b>Total</b>	<b>269</b>	<b>358</b>

## NOTE 8

### Related parties

#### (a) Employer company

Telstra Corporation is the principal employer. Reach Services Australia Ltd, Sensis Pty Ltd, 3GIS Pty Ltd, Foxtel Pty Ltd, Telstra Super Financial Planning Pty Ltd, and Telstra Super Pty Ltd (as trustee for Telstra Super) are associated employer sponsors. Of total employer contributions of \$546m (2014: \$510m) as disclosed in the Statement of Changes in Net Assets, those made by Telstra and associated employers totalled \$369m (2014: \$363m). Contributions are made in accordance with recommendations of the Actuary, the Trust Deed, the Funding Deed, and relevant legislative requirements. Telstra Corporation also provides Telstra Super with telecommunication services. Such services are provided at arm's length and on normal commercial terms.

Telstra Super held the following investments in Telstra Corporation Limited at market value as at 30 June:

	2015 \$	2014 \$
Shares	243,135,729	202,014,593
Fixed Interest Securities	14,707,114	16,380,833
Dividends received for the year	11,061,293	11,337,624
Interest received for the year	736,932	495,132

## (b) Trustee and key management personnel

Telstra Super Pty Ltd (TSPL) is the Trustee of Telstra Super and is the holder of a Registrable Superannuation Entity Licence (Licence No. L0001311).

The following people were Directors of TSPL during the financial year:

David Leggo (Chairman)	John Jamieson
Bronwyn Clere	David Kirton
Michael Fisher	Ian McCarthy
Carol Gee	Gregg Rowley (resigned 3 June 2015)
Mark Hall	

Each Director attended the following meetings during the year as a member of the Board or relevant Committee.

Name	Board		Committees					
	Held	Attended	Claims Review		Audit, Risk and Compliance		Remuneration	
			Held	Attended	Held	Attended	Held	Attended
D Leggo	12	12					7	7
M Fisher	12	9						
C Gee	12	12						
M Hall	12	10			6	5		
J Jamieson	12	12			6	6	7	7
D Kirton	12	12	5	5	6	6	7	7
I McCarthy	12	11	5	5	6	4		
G Rowley	9	9						
B Clere	12	12						

Other key management personnel who have had authority for planning, directing and controlling the activities of Telstra Super during the financial year were as follows:

Chris Davies (Chief Executive Officer)  
 Paul Curtin (Chief Financial Officer & GM Strategy & Technology)  
 Jim Christensen (Chief Investment Officer)

## (c) Compensation of the Trustee and key management personnel

	2015 \$'000	2014 \$'000
Short-term – salaries, fees, bonuses and non-monetary benefits	2,637	2,491
Superannuation contributions	153	157
Other long-term benefits	0	120
	<b>2,790</b>	<b>2,768</b>

Where instructed, a Director's income is paid direct to their employer. Directors' remuneration excludes insurance premiums of \$283,789 (2014: \$249,800) paid by Telstra Super in respect of Directors' and Officers' liability insurance contracts as the contracts do not specify premiums paid in respect of individual Directors and Officers.



# Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

## (c) Compensation of the Trustee and key management personnel (continued)

The table below shows the number of Directors and key management personnel whose income falls within the following bands for financial years ending 30 June.

Amounts falling between	2015	2014
\$10,000 and \$19,999	0	1
\$30,000 and \$39,999	0	1
\$50,000 and \$59,999	8	7
\$200,000 and \$209,999	1	0
\$210,000 and \$219,999	0	1
\$320,000 and \$329,999	0	1
\$390,000 and \$399,999	0	1
\$520,000 and \$529,999	1	0
\$530,000 and \$539,999	0	1
\$620,000 and \$629,999	1	0
\$870,000 and \$879,999	0	1
\$960,000 and \$969,999	1	0

## (d) Fees and reimbursements

A fee is paid to the trustee company, Telstra Super Pty Ltd for providing trustee services. The fee charged to Telstra Super for providing trustee services totalled \$813,429 (2014: \$856,341).

## (e) Membership of Telstra Super

Certain Directors and key management personnel are members of Telstra Super. Their membership terms and conditions are identical to other members of Telstra Super.

## (f) Related parties

### (i) Telstra Super Financial Planning Pty Ltd (TSFP)

Is an investment wholly owned by Telstra Super Pty Ltd as Trustee for Telstra Super. The principal activity of the company during the course of the financial year was to provide financial planning advice to members of Telstra Super. Telstra Super held the following investment in TSFP at net asset value as at 30 June.

	2015 \$	2014 \$
Shares	4,585,653	4,396,301

No dividends have been declared or paid. Consolidated accounts have not been prepared due to the investment entity exemption.

The following Directors or Officers of TSPL were also Directors of TSFP during the financial year:

David Leggo  
Chris Davies  
Bronwyn Clere  
Ian McCarthy

### (ii) Fees and reimbursements

TSFP is responsible for direct expenditure incurred. Shared costs with Telstra Super are allocated on a fair and equitable basis. Transactions between the parties comprised of fees charged by TSFP to Telstra Super for providing financial advice to members \$13,199,406 (2014: \$13,199,406) and fees charged by Telstra Super to TSFP for in-house administration support and services provided in regard to TSFP Investment Products \$1,603,045 (2014: \$1,329,000). The TSFP fee for providing financial advice to members is a flat fee for service as agreed to by the Board of Telstra Super. At 30 June 2015 both TSFP and Telstra Super had nil receivables (TSFP/TSPL 2014: \$nil).

### (iii) Telstra Super Sub Trusts

Several Investments are wholly owned by Telstra Super. Details of these entities have been disclosed within Note 19.

## NOTE 9

### Segment information

Telstra Super operates solely to provide superannuation benefits to members and beneficiaries and operates in Australia only. Revenue is derived from investments and contributions.

**NOTE 10****Property, plant and equipment** (refer Note 2(f))

	2015 \$'000	2014 \$'000
Office furniture and equipment at cost	4,044	3,661
Less accumulated depreciation	2,472	2,029
<b>Total property, plant and equipment</b>	<b>1,572</b>	<b>1,632</b>

**NOTE 11****Lease commitments** (refer Note 2(f))

Operating leases of plant, property and equipment, not provided for in the accounts, and payable	2015 \$'000	2014 \$'000
Not later than one year	1,475	2,086
Later than one year less than five years	761	1,650
Later than five years	-	-
<b>Total</b>	<b>2,236</b>	<b>3,736</b>

Operating lease expenses recognised for the year:

	2015 \$'000	2014 \$'000
	<b>1,975</b>	<b>1,613</b>

There are no restrictions imposed on Telstra Super in regard to finance and operating leases. There are also no renewal, purchase or escalation option clauses in the leasing arrangements.

**NOTE 12****Administration expenses**

	2015 \$'000	2014 \$'000
Salaries and related employment costs	18,793	16,290
Trustee expenses	853	924
Professional and audit fees	1,650	1,902
Member communication expenses	1,718	1,965
Office rental and expenses	5,603	4,457
Financial planning service fees	13,210	13,207
APRA levy	1,790	2,414
Other expenses	209	217
<b>Total administration expenses</b>	<b>43,826</b>	<b>41,376</b>



**NOTE 13**

**Accounts payable**

	2015 \$'000	2014 \$'000
Investment expenses payable	15,122	13,784
Administration expenses payable	2,065	2,279
Employee entitlements	3,166	2,784
Unallocated funds	12,208	9,765
<b>Total accounts payable</b>	<b>32,561</b>	<b>28,612</b>

## **SuperOnline: it's all about you**

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**NOTE 14****Movements in net market value of investments**

	2015 \$'000	2014 \$'000
<b>(i) Investments held at balance date</b>		
Australian Fixed Interest Securities	5,046	25,857
International Fixed Interest Securities	8,261	30,915
Australian Equities	(31,743)	351,598
International Equities	185,819	451,893
Hedge Funds	21,683	42,015
Private Equity	(13,992)	19,648
Property	98,277	85,132
Infrastructure	9,728	33,065
Derivatives	15,832	1,943
	<b>298,911</b>	<b>1,042,066</b>
<b>(ii) Investment realised during the year</b>		
Australian Fixed Interest Securities	26,622	14,333
International Fixed Interest Securities	1,369	9,684
Australian Equities	26,043	154,336
International Equities	22,959	186,976
Hedge funds	2,092	803
Private Equity	(980)	(1,512)
Property	(23,437)	5,935
Infrastructure	9,826	17,088
Derivatives	43,505	(70,440)
	<b>107,999</b>	<b>317,203</b>
<b>Total movements in net market values</b>	<b>406,910</b>	<b>1,359,269</b>



# Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

## NOTE 15

### Income tax

The major components of income tax expense for the years ended 30 June 2015 and 2014 are:

	2015 \$'000	2014 \$'000
<b>Current income tax expense</b>		
Income tax payable current year	47,333	49,942
Adjustments in respect of prior years	(8,323)	(8,705)
	<b>39,010</b>	<b>41,237</b>
<b>Deferred income tax expense</b>		
Relating to origination and reversal of temporary differences	78,566	136,657
Adjustments in respect of deferred income tax of previous years	1,503	2,583
	<b>80,069</b>	<b>139,240</b>
<b>Income tax expense reported in Statement of Changes in Net Assets</b>	<b>119,079</b>	<b>180,477</b>

A reconciliation between prima facie income tax expense and income tax expense as reported in the Change in Net Assets before income tax is as follows:

	2015 \$'000	2014 \$'000
<b>Changes in net assets before income tax</b>	<b>1,717,145</b>	<b>2,135,780</b>
<b>Prima facie income tax expense at the tax rate of 15%</b>	<b>257,572</b>	<b>320,367</b>
<b>Increase in income tax expense due to:</b>		
Benefits paid	109,018	102,856
No TFN contributions tax	33	202
Imputation and foreign tax offsets gross up	12,291	12,023
Non-deductible expenses	2,229	11
<b>Decrease in income tax expense due to:</b>		
Non-assessable contributions and transfers from other funds	(79,475)	(61,526)
Differences between tax and accounting investment income	(80,587)	(93,139)
Group Life proceeds, notional insurance and anti-detriment	(5,550)	(6,133)
Adjustments in respect of current income tax of previous years	(6,820)	(6,122)
Allocated pension exempt income	(11,519)	(10,900)
Imputation and foreign tax offsets	(78,113)	(77,162)
<b>Income tax expense reported in Statement of Changes in Net Assets</b>	<b>119,079</b>	<b>180,477</b>
<b>Current income tax liability at 30 June relates to the following:</b>		
Income tax payable current year	47,333	49,942
Less payments made during the year	(43,686)	(36,488)
	<b>3,647</b>	<b>13,454</b>
<b>Deferred income tax assets and liabilities at 30 June relates to the following:</b>		
Contributions receivable	1,830	1,534
Investment income receivable	5,468	4,453
Realised and unrealised gains on investments	308,023	206,278
Expense provisions	(545)	(448)
Less allocated pension exempt income share of gains/losses	(55,190)	(32,301)
<b>Net deferred income tax liabilities</b>	<b>259,586</b>	<b>179,516</b>

**NOTE 16****Employee entitlements** (refer Note 2(o))**(a) Aggregate employee leave entitlements, including on-costs**

	2015 \$'000	2014 \$'000
Current	2,507	2,295
Non-current	608	478
	<b>3,115</b>	<b>2,773</b>

Employees of Telstra Super are entitled to long service leave after 10 years of service, and pro-rata payment on termination after seven years of service. The present values of employee entitlements not expected to be settled within 12 months of balance date have been calculated using the following weighted averages:

	2015	2014
Assumed rate of increase in wage and salary rates	3.19%	4.49%
Discount rate	5.42%	5.29%

**(b) Superannuation Scheme**

There are seven employees of Telstra Super who are Defined Benefit members of Telstra Super. Their share, on a pro-rata basis, of the assets (at net market value), the accrued benefits, and the vested benefits are as follows:

	2015 \$'000	2014 \$'000
Proportionate share of Telstra Super assets at 30 June	2,172	1,897
Accrued benefits at 30 June	1,984	1,682
Excess of fund assets over accrued benefits	<b>188</b>	<b>215</b>
Vested benefits	1,938	1,733

An actuarially determined surplus or deficit in relation to these employees has not been recognised in the financial statements as the Trustee has elected not to adopt AASB 119. During the year, employer contributions of \$1,724,682 were paid/payable to the Scheme in respect of employees (2014: \$1,352,691).

**NOTE 17****Commitments and contingent liabilities**

Telstra Super has outstanding commitments and contingent liabilities as part of its business operations. These represent uncalled elements in respect of investments, death and TPD claims received and unpaid, litigation, as well as contractual arrangements entered into with third parties. Telstra Super also has bank guarantees in place covering rental and office fitouts. Amounts as at 30 June were as follows:

	2015 \$'000	2014 \$'000
Investment commitments	208,996	167,772
Death and TPD claims	42,425	23,632
Expenditure commitments	2,133	2,754
Litigation	608	0
Bank guarantees	894	781
<b>Total</b>	<b>255,056</b>	<b>194,939</b>



# Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

## NOTE 18

### Significant events after balance date

Between 30 June 2015 and the date of approval of this financial report, there have been no matters or circumstances not otherwise dealt with in the financial report that have significantly affected or may significantly affect the Scheme.

## NOTE 19

### Related parties

The accounting standard AASB 10: Consolidated Financial Statements, deals with the issue of whether entities owned and/or controlled by another entity should be consolidated into the financial statements of the holding entity. Telstra Super meets the definition of an investment entity and therefore is not required to consolidate its investees, and instead must recognise and measure the investees at fair value through its operating result. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The table below lists details of related party investments held. The maximum exposure or loss is limited to the net market value. The net market value of the exposure will change throughout the period and in subsequent periods, and will cease once the investments are disposed.

	Ownership interest 2015	
	\$'000	%
Telstra Super Financial Planning Pty Ltd	4,586	100.00
TSPL Brisbane Sub Trust	158,356	100.00
TSPL Woollies Sub Trust	146,535	100.00
TSPL BTF Trust	33,161	100.00
TSPL FSPT Trust	58,251	100.00
TSPL CLP Trust	260,496	100.00
TSPL BP Trust	193,411	100.00
FDC Co Investment Trust	53,749	100.00
FDC Co Investment Trust - Brandon	29,409	100.00
Northgate Investment Trust	62,943	100.00
Omega Global Corporate Bond Fund	81,026	60.00
	<b>1,081,923</b>	

	Ownership interest 2014	
	\$'000	%
Telstra Super Financial Planning Pty Ltd	4,396	100.00
TSPL Brisbane Sub Trust	156,700	100.00
Quadrant Telstra Super Trust	55,595	100.00
TSPL Lifestyle Trust	25,895	100.00
TSPL Woollies Sub Trust	145,246	100.00
TSPL BTF Trust	54,049	100.00
TSPL FSPT Trust	49,389	100.00
TSPL CLP Trust	165,288	100.00
TSPL BP Trust	88,522	100.00
FDC Co Investment Trust	42,006	100.00
Omega Global Corporate Bond Fund	77,752	53.33
Australian Commercial International Towers Sydney Investment Trust	34,152	50.00
	<b>898,990</b>	

The Scheme has a controlling interest in the related party investments. As at 30 June there are no significant restrictions on the ability of an unconsolidated subsidiary to pay income or repay loans to the Scheme. In addition, the Scheme does not have any current commitments or intentions to provide financial or other support to the related party investments.

## NOTE 20

### Financial instruments and risk management

#### (a) Financial risk management objectives, policies and processes

The investments of Telstra Super are managed on behalf of the Trustee by appointed managers and the internal investment team. All investments of Telstra Super are held on behalf of the Trustee by National Australia Bank Limited acting as the global custodian. Each investment manager is required to invest the assets managed by it in accordance with the terms of a written mandate. The Trustee has determined that appointment of these managers is appropriate for the Scheme and is in accordance with the Scheme's investment strategy. Telstra Super's principal financial instruments, other than derivatives, comprise equity securities, fixed interest securities, interests in pooled investment vehicles (including private equity, property trusts and infrastructure), cash and short-term money market (STMM) investments. The main purpose of these financial instruments is to generate a return on investment. Telstra Super also has various other financial instruments such as receivables and payables, which arise directly from its operations.

Telstra Super uses derivative financial instruments to reduce foreign exchange and interest rate risks in the share, bond and currency markets and to increase or decrease Telstra Super's exposure to particular investment classes or markets in line with the re-balancing strategy and other investment strategies. Derivative financial instruments are included in the Statement of Net Assets, and the accounting policies in relation to derivatives are set out in Note 2(d).

The main risks arising from Telstra Super's financial instruments are credit risk, liquidity risk and market risk. Market risk includes interest rate risk, equity price risk, and foreign currency risk. The Trustee reviews and agrees policies for managing each of these risks. These policies are summarised below. The Trustee also monitors market price risk for all financial instruments.

The Trustee acknowledges that an integral part of its good governance practice is a sound and prudent risk management framework. This framework is documented in the Trustee's Risk Management Framework and Risk Management Strategy which has been updated for SPS220. This Framework and Strategy are subject to regular review by management, the Trustee, and annual audits of the Scheme's risk and compliance program. The Trustee manages this investment risk as part of its overall Risk Management Framework.

The Trustee determines the asset allocation of the Scheme. The Trustee receives advice from its investment adviser in making its determination. The asset allocation is reviewed throughout the year in accordance with the Scheme's Risk Management and Investment Policies. The Trustee has established an Investment Committee, which is responsible for approving and monitoring the Scheme's investments subject to the limits outlined in the Committee charter. The Committee comprises of the Chair of the Trustee, management, two external consultants and the external investment adviser JANA. The Committee minutes record all decisions made and are presented to the Board for ratification or noting as appropriate.

The internal investment management unit through its investment mandates is delegated responsibility for all day-to-day investment decisions for the internally managed funds.

Telstra Super also undertakes due diligence to ensure fund managers have the appropriate skills and expertise to manage the Scheme's investments. In addition investment performance is tracked through appropriate monitoring of market conditions and benchmark analysis.

#### (b) Credit risk

Credit risk represents the risk that the counterparty to a financial instrument will fail to discharge an obligation and cause the Scheme to incur a financial loss. Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents and amounts due from brokers. The Scheme invests in debt securities that carry credit risks. The Scheme requires investment managers to manage the securities within approved credit limits as set out in their mandates. Compliance of managers with their mandates is monitored by the Scheme's custodian, as well as the Trustee.

Telstra Super's maximum exposure to credit risk is as indicated by the carrying amounts of its assets including derivatives. Telstra Super minimises credit risk by the diversity of investments, ensuring its assets are custodially held, and dealing through recognised exchanges and clearing houses. The Trustee also has a credit risk policy in place. Compliance with this policy is monitored on an ongoing basis.

There are no significant concentrations of credit risk within Telstra Super.

#### Credit quality per class of debt instruments

The credit quality of financial assets is managed by Telstra Super using Standard & Poor's rating categories, in accordance with the investment mandate of the Scheme, and is monitored on a regular basis in accordance with the Credit Risk Policy. This review process allows the Trustee to assess the potential loss as a result of risks and take corrective action.



# Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

The table below shows the credit quality by class of asset.

## 2015

Credit quality	AAA to AA-	A+ to A-	BBB+ to B-	CCC+ to CC	Non-rated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Listed Equities	-	-	-	-	8,113,338	8,113,338
Unlisted Equities	-	-	-	-	506,763	506,763
Bonds, Discount Securities & Asset Backed Securities	811,044	1,804,960	445,063	2,860	320,530	3,384,457
Trusts & Special Purpose Vehicles	-	-	-	-	3,681,461	3,681,461
Derivative Assets	-	-	-	-	417,591	417,591
	<b>811,044</b>	<b>1,804,960</b>	<b>445,063</b>	<b>2,860</b>	<b>13,039,683</b>	<b>16,103,610</b>

## 2014

Credit quality	AAA to AA-	A+ to A-	BBB+ to B-	CCC+ to CC	Non-rated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Listed Equities	-	-	-	-	7,206,641	7,206,641
Unlisted Equities	-	-	-	-	494,911	494,911
Bonds, Discount Securities & Asset Backed Securities	938,740	1,313,221	397,220	1,359	305,216	2,955,756
Trusts & Special Purpose Vehicles	-	-	-	-	3,130,876	3,130,876
Derivative Assets	-	-	-	-	335,351	335,351
	<b>938,740</b>	<b>1,313,221</b>	<b>397,220</b>	<b>1,359</b>	<b>11,472,995</b>	<b>14,123,535</b>

The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. Collateral is held in regard to all securities lending activities. No collateral is held as security or other credit enhancements exist for all other financial assets held. No financial assets are considered past due as all payments are considered recoverable when contractually due. The Scheme's financial assets exposed to credit risk amounted to the following:

	30 June 2015	30 June 2014
	\$'000	\$'000
Australian Fixed Interest Securities	2,750,215	3,032,102
International Fixed Interest Securities	752,870	98,276
Australian Equities	4,464,002	4,117,548
International Equities	3,939,974	3,383,585
Hedge Funds	600,038	371,177
Private Equity	911,659	847,943
Property	1,673,935	1,503,005
Infrastructure	593,326	434,549
Derivative Assets	417,591	335,350
<b>Total</b>	<b>16,103,609</b>	<b>14,123,535</b>

Substantially all of the Scheme's cash is managed by BT Australia and the internal investment management team. The custodian, National Australia Bank Limited, custodially hold assets and cash in the name of the Scheme. Bankruptcy or insolvency by these financial institutions may cause the Scheme's rights with respect to the cash held to be delayed or limited. The Scheme monitors its credit risk by monitoring the credit quality and financial position of relevant institutions through regular analysis of their financial reports.

### (c) Liquidity risk

Liquidity risk is the risk that Telstra Super will encounter difficulty in raising funds to meet commitments associated with financial instruments and benefit payments. To control these risks, Telstra Super invests in financial instruments, which under normal market conditions are readily convertible to cash. In addition, Telstra Super maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Scheme's most significant financial liability is in relation to members' vested benefits. Telstra Super manages its obligation to pay such benefits based on management's estimates and actuarial assumptions of when such benefits will be drawn down by members. The Trustee considers it is highly unlikely that a substantial number of members will request to draw down their benefit at the same time. We have considered the proposed Defined Benefit to accumulation offer in this analysis.

The Scheme's liquidity risk is managed on a daily basis by the internal investment management and the finance functions in accordance with the liquidity policy and the Scheme's Risk Management Framework. Compliance with these policies is reported to the Trustee on a regular basis. The Scheme limits the allocation of illiquid assets and ensures that the allocation is consistent with the intended term of investment. The Scheme's membership profile, coupled with the bulk of its assets being invested in highly liquid asset classes, allows the fund to tolerate a lower liquidity in regard to its alternative investments (e.g. property and infrastructure investments) in an expectation of higher investment returns in the longer term.

The table below summarises the maturity of Telstra Super's financial liabilities based on undiscounted cash flows.

2015	Less than 1 month	1 month to 3 months	3 months to 1 year	Greater than 1 year	Total
Liability	\$'000	\$'000	\$'000	\$'000	\$'000
Benefits payable	521	-	-	-	521
Accounts payable	32,561	-	-	-	32,561
Derivative liabilities	13,927	76,713	19,988	350,528	461,156
Current tax liability	-	3,647	-	-	3,647
Deferred tax liability	-	-	-	259,586	259,586
	<b>47,009</b>	<b>80,360</b>	<b>19,988</b>	<b>610,113</b>	<b>757,471</b>

2014	Less than 1 month	1 month to 3 months	3 months to 1 year	Greater than 1 year	Total
Liability	\$'000	\$'000	\$'000	\$'000	\$'000
Benefits payable	160	-	-	-	160
Accounts payable	28,612	-	-	-	28,612
Derivative liabilities	709	2,592	55,039	173,629	231,969
Current tax liability	-	13,454	-	-	13,454
Deferred tax liability	-	-	-	179,516	179,516
	<b>29,481</b>	<b>16,046</b>	<b>55,039</b>	<b>353,145</b>	<b>453,711</b>

The above table does not include the Scheme's liability for accrued benefits as it is not practicable to determine the timing of when such liabilities will be paid.



# Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

## (d) Market risk

Market risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market.

Market risk comprises three types of risk: market interest rates (interest rate risk), foreign exchange (currency risk), and market prices (price risk). The Scheme's policies and procedures put in place to mitigate the Scheme's exposure to market risk are detailed in the Trustee's Investment Policy and the Risk Management Framework. This includes the risk review processes and compliance testing undertaken by management and regularly reported to the Audit, Risk and Compliance Committee.

Market risk is also minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies. The market risk disclosures are prepared on the basis of Telstra Super's direct investments and not on a look through basis.

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The majority of Telstra Super's financial instruments are non-interest bearing with only cash, cash equivalents and fixed interest securities being directly subject to interest rate risk. However, movements in market interest rates can indirectly impact on the valuation of non-interest bearing investments. The Scheme may use derivatives to hedge against unexpected increases in interest rates.

Telstra Super's exposures to interest rate movements on its financial instruments, by maturity, at balance date are as follows:

2015	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non-interest bearing	Total
Financial assets and liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investments	932,626	1,367,499	563,645	458,275	12,320,409	15,642,454

2014	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non-interest bearing	Total
Financial assets and liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investments	916,628	914,941	660,662	408,849	10,990,486	13,891,566

Interest on financial instruments classified as floating rate change at intervals of less than one year. Interest on financial instruments classified as fixed rate are fixed until the maturity of the instrument. Although non-interest bearing financial instruments do not pay an interest rate, their value is subject to movement in market interest rates. Investments in managed trust vehicles are included under non-interest bearing and their risks are covered in the price risk section.

### Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the reporting dates. The analysis assumes that all other variables are held constant. Based on expected movements in the yields of 10-year Australian and US Government bonds, a reasonably possible change of 75 basis points (bp) was an appropriate movement for 30 June 2015 and 30 June 2014. A change of 75bp in interest rates with all other variables remaining constant would have decreased the net assets available to pay benefits by \$43.739m (2014: \$32.526m). A change of -75bp in interest rates with all other variables remaining constant would have increased the net assets available to pay benefits by \$13.432m (2014: \$41.396m). The analysis is performed on the same basis for 2014. The impact on net assets available to pay benefits mainly arises from the effect that the reasonably possible change in interest rates will have on the net market value of fixed interest securities.

### Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk is a component of price risk. Telstra Super has exposure to foreign exchange risk in the value of securities denominated in a foreign currency. Foreign exchange contracts are used by our investment managers and by Telstra Super as an overlay control to reduce the exposure to such risk in the value of our underlying international investments by the use of forward currency contracts. The Scheme uses both passive and active managers to manage the risk of foreign exchange fluctuations in line with the Scheme's Risk Management Framework and the Scheme's Investment Policy. On this basis, the Scheme's overall exposure to foreign exchange risk is considered minimal after taking into account the forward currency contracts.

In accordance with the Scheme's Investment Policy, the Chief Investment Officer monitors the Scheme's currency position on a regular basis. This information and the compliance with the Scheme's overall exposure are reported to relevant parties on a regular basis as deemed

appropriate such as the Chief Risk Officer, other key management personnel, the Audit Risk & Compliance Committee, and ultimately the Board.

#### Sensitivity analysis

The tables below indicate Telstra Super's exposures at balance date to foreign exchange rate movements on its international investments. The analysis calculates the effects of a reasonably possible movement of currency rates against the Australian dollar based on forecasts at balance date. Based on an assessment of historical ranges of currency and one standard deviation expectation an assumption of +/- 12% has been determined by the investment adviser as an appropriate assumption for this scenario analysis. A 12% strengthening/weakening of the Australian dollar against the following currencies at 30 June 2015 would have (decreased)/ increased the net assets available to pay benefits and the change in net assets by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for 2014 where the volatility factor was expected to be 11%. The impact mainly arises from the reasonably possible change in foreign currency rates.

The reasonably possible movements in the risk variables have been determined based on the Trustee's best estimate, having regard to a number of factors including the average absolute divergence between the unhedged and hedged MSCI World Index ex Australian annual returns over a 10-year period.

2015		Effect on net assets of a change in currency rate		
Currency	Amount	+ 12%	-12%	
Gross investment amounts denominated in:	A\$'000	A\$'000	A\$'000	A\$'000
United States dollars (USD)	4,093,574	(197,928)	197,928	
Euro (EUR)	759,645	(50,382)	50,382	
Yen (JPY)	255,512	(6,938)	6,938	
Great Britain pounds (GBP)	333,069	(26,481)	26,481	
Other currencies	1,274,619	(145,340)	145,340	
	<b>6,716,419</b>	<b>(427,069)</b>	<b>427,069</b>	

2014		Effect on net assets of a change in currency rate		
Currency	Amount	+ 11%	-11%	
Gross investment amounts denominated in:	A\$'000	A\$'000	A\$'000	A\$'000
United States dollars (USD)	3,329,796	(42,876)	42,876	
Euro (EUR)	746,538	7,078	(7,078)	
Yen (JPY)	224,891	(1,353)	1,353	
Great Britain pounds (GBP)	323,310	(3,820)	3,820	
Other currencies	1,006,441	(79,723)	79,723	
	<b>5,630,976</b>	<b>(120,694)</b>	<b>120,694</b>	

#### Other market price risk

Other market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument, or factors affecting all similar instruments traded in the market. All securities investments present a risk of loss of capital. The maximum risk is determined by the net market value of the financial instruments.

As all of Telstra Super's financial instruments are carried at net market value with changes in net market value recognised in the Statement of Changes in Net Assets, all changes in market conditions will directly affect net investment income. Price risk is mitigated by investing in a diversified portfolio of financial instruments that are traded on various markets.

All investment managers are subject to extensive due diligence prior to being appointed, with the recommendation for their appointment and removal made by the Investment Committee to the Board for final approval where required. All investment activities are undertaken in accordance with established mandate limits. Monthly reports are received from investment managers and the global custodian and these reports are reviewed in detail and assessed against relevant benchmarks. Investment manager performance is reported to the Investment Committee on a monthly basis, and the Board. The Trustee has determined that these investments are appropriate for the Scheme and are in accordance with the Scheme's investment strategy.



# Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

## Sensitivity analysis

The analysis below indicates the effect on the Statement of Changes in Net Assets due to a reasonably possible change in market factors, as represented by the equity indices, with all other variables held constant. Based on analysis of historical data in respect of asset class returns over 10 years and using this analysis to formulate expected future ranges of returns, the investment adviser has determined that the following assumptions are appropriate for this scenario analysis. These assumptions are based on an orderly market and as such the assumptions below are based on an expected range of outcomes within +/- 1 standard deviation.

2015			2014		
Asset class	Change in market price	Effect on net assets>Returns \$'000	Asset class	Change in market price	Effect on net assets>Returns \$'000
Australian Equities	19%	848,160 / (848,160)	Australian Equities	20%	823,510 / (823,510)
Australian Fixed Interest	7%	192,515 / (192,515)	Australian Fixed Interest	6%	181,926 / (181,926)
Hedge Funds	8%	48,003 / (48,003)	Hedge Funds	8%	29,694 / (29,694)
Infrastructure	9%	53,399 / (53,399)	Infrastructure	9%	39,109 / (39,109)
International Equities	21%	827,395 / (827,395)	International Equities	19%	642,881 / (642,881)
International Fixed Interest	10%	75,287 / (75,287)	International Fixed Interest	8%	7,862 / (7,862)
Private Equity	8%	72,933 / (72,933)	Private Equity	8%	67,835 / (67,835)
Property	11%	184,133 / (184,133)	Property	11%	165,331 / (165,331)

A process for the valuation of unlisted, infrequently valued assets is used to ensure valid valuations are reported. This involved seeking assurances from managers, ensuring latest accurate information available has been included and where necessary reviewing the latest audited financials of the relevant entity. All available valuation information has been incorporated in these financials.

## (e) Securities lending

Telstra Super has entered into securities lending arrangements with National Australia Bank Limited under which legal title to certain of the Scheme's assets has been transferred to another entity, notwithstanding the fact that the risks and benefits of ownership of the assets remain with Telstra Super.

Telstra Super may call for the re-delivery of all or any borrowed securities at any time in the ordinary course of business upon notice of not less than the standard settlement time for such securities on the market through which they were originally delivered. Such calls for re-delivery have taken place from time to time, and there have been no instances of failed delivery.

Telstra Super restricts its involvement in the domestic equity lending program to lending only those securities contained in the ASX Top 200 Index.

The total value of assets subject to securities lending amount to \$1,119.1m (2014: \$584.4m), and income received was \$1.285m (2014: \$0.878m). Telstra Super has obtained collateral equal to at least 105% of the value of the assets subject to securities lending arrangements.

## (f) Classification of financial instruments under the fair value hierarchy

### Fair value measurements

Telstra Super is required to classify financial instruments using a fair value hierarchy that reflects the subjectivity of inputs used in making the measurements. The table on pages 64 and 65 shows financial instruments recorded at net market value, analysed between the following levels:

**Level 1** – Those whose net market value is based on quoted market prices in active markets. An active market is a market in which transactions take place with sufficient frequency and volume to provide pricing on an ongoing basis;

**Level 2** – Those involving valuation techniques where all the model inputs are observable in the market. Inputs can be directly or indirectly derived from prices in the marketplace; and

**Level 3** – Those where the valuation technique involves the use of non-market observable inputs that are significant to the determination of net market value. Inputs are entity-specific and subjective.



## Make sure your investments are right for you

Like any investment, there are risks associated with investing your super. Different investment options carry different levels of risk depending on the assets that make up those options.



# Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

2015

Financial assets and liabilities	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Australian Fixed Interest</b>				
Listed Equities	95,017	8,103	-	103,120
Trusts & Special Purpose Vehicles	-	6,700	83,048	89,748
Bonds, Discount Securities & Asset Backed Securities	151,800	2,405,547	-	2,557,347
	<b>246,817</b>	<b>2,420,350</b>	<b>83,048</b>	<b>2,750,215</b>
<b>International Fixed Interest</b>				
Trusts & Special Purpose Vehicles	-	-	81,026	81,026
Bonds, Discount Securities & Asset Backed Securities	-	671,844	-	671,844
	-	<b>671,844</b>	<b>81,026</b>	<b>752,870</b>
<b>Australian Equities</b>				
Listed Equities	3,753,571	5,052	1,086	3,759,709
Trusts & Special Purpose Vehicles	179,654	-	523,344	702,998
Unlisted Equities	-	996	299	1,295
	<b>3,933,225</b>	<b>6,048</b>	<b>524,729</b>	<b>4,464,002</b>
<b>International Equities</b>				
Listed Equities	3,841,297	20,961	19	3,862,277
Trusts & Special Purpose Vehicles	11,487	-	66,210	77,697
	<b>3,852,784</b>	<b>20,961</b>	<b>66,229</b>	<b>3,939,974</b>
<b>Hedge Funds</b>				
Listed Equities	-	60,051	-	60,051
Trusts & Special Purpose Vehicles	-	118,517	75,701	194,218
Unlisted Equities	-	-	345,769	345,769
	-	<b>178,568</b>	<b>421,470</b>	<b>600,038</b>
<b>Private Equity</b>				
Listed Equities	-	1,128	-	1,128
Trusts & Special Purpose Vehicles	-	-	597,597	597,597
Unlisted Equities	-	154,676	5,022	159,698
Bonds, Discount Securities & Asset Backed Securities	-	153,236	-	153,236
	-	<b>309,040</b>	<b>602,619</b>	<b>911,659</b>
<b>Property</b>				
Listed Equities	50,406	-	-	50,406
Trusts & Special Purpose Vehicles	283,513	617	1,339,399	1,623,529
	<b>333,919</b>	<b>617</b>	<b>1,339,399</b>	<b>1,673,935</b>
<b>Infrastructure</b>				
Listed Equities	276,647	-	-	276,647
Trusts & Special Purpose Vehicles	37,596	123,021	154,032	314,649
Bonds, Discount Securities & Asset Backed Securities	911	1,119	-	2,030
	<b>315,154</b>	<b>124,140</b>	<b>154,032</b>	<b>593,326</b>
<b>Derivative assets</b>				
Futures	3,320	-	-	3,320
Options	29,031	294	-	29,325
Swaps	-	384,946	-	384,946
	<b>32,351</b>	<b>385,240</b>	-	<b>417,591</b>
<b>Derivative liabilities</b>				
Futures	(9,078)	-	-	(9,078)
Options	(4,868)	(448)	-	(5,316)
Swaps	-	(385,256)	-	(385,256)
Foreign Exchange Contracts	-	(61,506)	-	(61,506)
	<b>(13,946)</b>	<b>(447,210)</b>	-	<b>(461,156)</b>
<b>Total investments</b>	<b>8,700,304</b>	<b>3,669,598</b>	<b>3,272,552</b>	<b>15,642,454</b>

## 2014

<b>Financial assets and liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000
<b>Australian Fixed Interest</b>				
Listed Equities	90,513	54,358	-	144,871
Trusts & Special Purpose Vehicles	-	73,749	3,016	76,765
Bonds, Discount Securities & Asset Backed Securities	153,901	2,656,565	-	2,810,466
	<b>244,414</b>	<b>2,784,672</b>	<b>3,016</b>	<b>3,032,102</b>
<b>International Fixed Interest</b>				
Trusts & Special Purpose Vehicles	-	77,597	-	77,597
Bonds, Discount Securities & Asset Backed Securities	-	20,133	546	20,679
	-	<b>97,730</b>	<b>546</b>	<b>98,276</b>
<b>Australian Equities</b>				
Listed Equities	3,491,362	-	2,105	3,493,467
Trusts & Special Purpose Vehicles	153,334	469,654	-	622,988
Unlisted Equities	-	794	299	1,093
	<b>3,644,696</b>	<b>470,448</b>	<b>2,404</b>	<b>4,117,548</b>
<b>International Equities</b>				
Listed Equities	3,314,876	-	4	3,314,880
Trusts & Special Purpose Vehicles	11,513	56,843	349	68,705
	<b>3,326,389</b>	<b>56,843</b>	<b>353</b>	<b>3,383,585</b>
<b>Hedge Funds</b>				
Trusts & Special Purpose Vehicles	-	42,189	-	42,189
Unlisted Equities	-	328,615	373	328,988
	-	<b>370,804</b>	<b>373</b>	<b>371,177</b>
<b>Private Equity</b>				
Trusts & Special Purpose Vehicles	14,736	5,331	552,840	572,907
Unlisted Equities	-	155,414	-	155,414
Bonds, Discount Securities & Asset Backed Securities	-	119,622	-	119,622
	<b>14,736</b>	<b>280,367</b>	<b>552,840</b>	<b>847,943</b>
<b>Property</b>				
Listed Equities	34,414	-	-	34,414
Trusts & Special Purpose Vehicles	255,537	104,724	1,108,330	1,468,591
	<b>289,951</b>	<b>104,724</b>	<b>1,108,330</b>	<b>1,503,005</b>
<b>Infrastructure</b>				
Listed Equities	217,733	-	-	217,733
Trusts & Special Purpose Vehicles	41,241	-	170,585	211,826
Bonds, Discount Securities & Asset Backed Securities	2,789	2,201	-	4,990
	<b>261,763</b>	<b>2,201</b>	<b>170,585</b>	<b>434,549</b>
<b>Derivative assets</b>				
Futures	5,915	-	-	5,915
Options	13,306	213	-	13,519
Swaps	-	216,413	-	216,413
Foreign Exchange Contracts	-	99,503	-	99,503
	<b>19,221</b>	<b>316,129</b>	-	<b>335,350</b>
<b>Derivative liabilities</b>				
Futures	(9,182)	-	-	(9,182)
Options	(5,834)	(603)	-	(6,437)
Swaps	-	(216,350)	-	(216,350)
	<b>(15,016)</b>	<b>(216,953)</b>	-	<b>(231,969)</b>
<b>Total investments</b>	<b>7,786,154</b>	<b>4,266,965</b>	<b>1,838,447</b>	<b>13,891,566</b>



# Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

The level in which financial instruments are classified in the hierarchy is based on the lowest level of input that is significant to the net market value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the investment.

Disclosure of the methods and assumptions applied in determining the net market value for each class of financial assets are included in Note 2(d).

## Level 3 Financial instruments transactions

The following table shows a reconciliation of the movement in fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

### 2015

Financial assets	Bonds, Discount Securities & Asset Backed Securities	Listed Equities	Unlisted Equities	Trusts & Special Purpose Vehicles	Net Market Value
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
<b>Opening balance</b>	<b>546</b>	<b>2,109</b>	<b>672</b>	<b>1,835,121</b>	<b>1,838,448</b>
Total gains/(losses)		83		150,733	150,816
Purchases/applications		14		202,809	202,823
Sales/redemptions	(546)	(1,101)	(373)	(218,780)	(220,800)
Transfers into Level 3			350,792	950,919	1,301,711
Transfers out Level 3				(445)	(445)
<b>Closing balance</b>	<b>-</b>	<b>1,105</b>	<b>351,091</b>	<b>2,920,357</b>	<b>3,272,553</b>

### 2014

Financial assets	Bonds, Discount Securities & Asset Backed Securities	Listed Equities	Unlisted Equities	Trusts & Special Purpose Vehicles	Net Market Value
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
<b>Opening balance</b>	<b>569</b>	<b>2,109</b>	<b>696</b>	<b>1,820,960</b>	<b>1,824,334</b>
Total gains/(losses)	(23)		(24)	(52,265)	(56,312)
Purchases/applications	-			72,666	72,666
Sales/redemptions	-	-		(2,240)	(2,240)
Transfers into Level 3	-	-		-	-
Transfers out Level 3	-	-		-	-
<b>Closing balance</b>	<b>546</b>	<b>2,109</b>	<b>672</b>	<b>1,835,121</b>	<b>1,838,448</b>

Total gains/(losses) comprises of realised and unrealised gains and losses.

The transfers between the Level 2 and Level 3 fair value hierarchies during the financial year are due to a more detailed analysis of the investments involved rather than a significant change in the observable measurements of their net market values.

For financial instruments classified in Level 3 in the fair value hierarchy some of the inputs to the valuation models are unobservable and therefore subjective in nature. Therefore the use of reasonably possible alternative assumptions could produce a different net market value measurement. If the impact of using those alternative assumptions would cause the fair value of Level 3 assets to be higher or lower by 10% the net assets of the fund and the benefits accrued as a result of operation for the year would have been higher or lower by \$327.26m (2014: \$183.85m).

## Transfers between hierarchy levels

There have been no significant transfers between the Level 1 and Level 2 fair value hierarchies during the financial year.

## Description of significant unobservable inputs to valuation

Investment type	Valuation technique	Unobservable input	Range
Investment vehicles	Net Asset Value	Net Asset Value	10% increase/(decrease) in the net asset value of these investments would result in an \$292.037m increase/ (decrease) in the investment value as the investment vehicles mainly relate to private equity investments which are quoted at a net asset value.

## Member education

### Helping members navigate the super journey

Taking the time to learn about your super and investments is an important step towards living your retirement dream. At Telstra Super we provide an extensive range of general information, education and advice options to support you on your super journey. Why not take a little time to get to know your super today?

### Seminars

Seminars are a great way to get information face-to-face or online to learn more about a range of topics and issues related to super, the industry and the retirement savings options available.

### Site visits

We also arrange for our Member Education consultants to visit Telstra Group employees at their workplace to provide information and assistance. To find out more about site visits, call us on **1300 033 166** and ask to speak with a Member Education consultant.

### On the phone

Our Member Contact Centre team is dedicated to delivering quality support and care to our members.

### Online at [www.telstrasuper.com.au](http://www.telstrasuper.com.au)

Our website is a valuable resource with a comprehensive range of super-related information. Here, you can:

- learn about the super, investment, insurance and financial advice options available to you
- watch quick and informative Super Bites videos
- catch up with the latest news from Telstra Super
- peruse our newsletters and publications
- register for seminars and much, much more.

Visit [www.telstrasuper.com.au](http://www.telstrasuper.com.au) for more information.

### Telstra Super Financial Planning

Telstra Super Financial Planning can provide personal financial advice to develop a strategy tailored to your objectives, financial situation and needs.

**We are here to help you build a financially secure future and give you the information you need, when you most need it, in the way you want it.**





# Summary of Actuarial Report

## Telstra Superannuation Scheme

### Summary of actuarial report on 30 June 2012 investigation

Kevin O'Sullivan, FIAA conducted the latest actuarial investigation of the Telstra Superannuation Scheme (the Scheme) at 30 June 2012, and presented the results in a report dated 20 February 2013. This following provides a summary of that report and the Actuary's opinion as to the financial condition of the Scheme.

#### Purpose of report

Legislation covering the operation of superannuation funds in Australia requires actuarial investigations of defined benefit funds to be made at intervals of not more than three years. The last actuarial investigation of the Scheme was as at 30 June 2012 by M K O'Sullivan, FIAA.

The main aims of an actuarial investigation are to assess the Scheme's financial position, and to recommend the rate at which Telstra should contribute to the Scheme.

#### Membership and salaries

As at 30 June 2012 there were 7,298 members of Division 2, 58 members of Division 5 and 34 members of Division 8 receiving defined benefits with salaries totalling \$604.4 million, \$7.3 million and \$3.9 million respectively. The numbers of Division 2, 5 and 8 members had decreased by 23%, 26% and 31% respectively from the previous investigation as at 30 June 2009.

In addition to these defined benefit members, there were approximately 26,400 members of Division 3, 6 and 8 and approximately 69,500 members in Division 4 with retained benefits (including spouse accounts and account-based pensioners). These members receive accumulation style benefits. The balance of accumulation members' accounts, together with the voluntary account balances of defined benefit members, totalled \$9,161.4 million (including an adjustment to allow for increases in the account balances resulting from final valuations of assets at 30 June 2012).

The average annual increase in members' salaries since the previous investigation for defined benefit members who were in the Scheme at both the current and the previous investigation dates (i.e. 30 June 2009 and 30 June 2012) was 3.4% p.a.

#### Assets

For the purpose of the actuarial investigation, the total net market value of assets used was as provided in the audited financial statements, \$11,589.5 million. The assets available to fund the defined benefit liabilities are then determined as the total assets less reserves and the sum of the account balances of accumulation style benefits (including the accumulation style benefits of defined benefit members), as follows:

<b>Assets</b>	
Total net market value of assets	\$11,589.5m
Less, assets supporting accumulation balances	\$9,161.4m
Less, reserves	\$35.4m
<b>Assets supporting defined benefit liabilities</b>	<b>\$2,392.7m</b>

The average return on the defined benefit assets between 1 July 2009 and 30 June 2012 was 4.78% p.a.

## Assumptions

The actuarial investigation reviewed the assumptions used and changes were made to the assumed financial assumptions and rates of death and disablement.

In summary, the key financial assumptions used were:

- Investment return, net of tax: **6.5% p.a.**
- Salary growth: **4.0% p.a.**
- Expense allowance: **0.35% of assets**

A promotional salary scale is also applied.

The discount rate used is a current market determined, risk adjusted discount rate, and is based on the expected future return on the Scheme's assets as at 30 June 2012.

All assumptions used are best estimate assumptions.

## Funding method

The main purposes of the actuarial investigation and report are to assess the financial position of the Scheme, identify the long-term funding rate of the Scheme's benefits and to confirm the continuing adequacy of the contribution rates in the Funding Deed between Telstra and Telstra Super. To do this, the Actuary has adopted a method of funding benefits known as the Aggregate Funding Method. Under this method, the long-term Telstra contribution rate is calculated based on the difference between the net market value of assets and the total Scheme liabilities.

## Fund Indices

### Vested Benefits

The Vested Benefits Index (VBI) is the ratio of the net market value of assets to the members' current vested benefit entitlements should all members voluntarily resign at the investigation date.

Considering defined benefit assets and liabilities only, the Scheme's VBI at 30 June 2012 was 90%.

### Discounted Accrued Benefits

The Discounted Accrued Benefits Index (DABI) is a longer-term measure of solvency. The discounted accrued benefits are the total of the present value of the benefits that have accrued in respect of membership prior to the investigation date.

Considering defined benefit assets and liabilities only, the Scheme's DABI at 30 June 2012 was 98%.

### Minimum Requisite Benefits

The Minimum Requisite Benefit Index (MRBI) is a short-term measure of solvency. The Minimum Requisite Benefits (MRBs) are the minimum benefits payable out of the Scheme to ensure Telstra satisfies its Superannuation Guarantee (SG) obligations.

Considering defined benefit assets and liabilities only, the Scheme's MRBI at 30 June 2012 was 120%.



# Summary of Actuarial Report

## Insurance

The cost of providing future death and disablement benefit payments is taken into account in determining the long-term employer cost.

As at 30 June 2012, the Scheme holds a self-insurance reserve of \$25 million. In the report, the Actuary believes that this is adequate to meet incurred but not reported claims, protect against short-term adverse claim experience and cover worsening claim experience for a short period.

It was considered that self-insurance remained suitable for the Scheme's defined benefit divisions.

## Material risks

Material risks for the Scheme include:

- Ongoing funding to maintain the Scheme's financial position – the required contributions could increase materially if investment or salary inflation experience is worse than expected;
- Risk of higher than expected death and disability benefits, either due to catastrophe or worsening claims experience;
- Re-balancing and crediting rate approximations within the accumulation section, which may adversely impact on assets supporting the defined benefit liabilities – though this is not considered a material risk if Telstra is willing to accept the implicit risk via its funding obligations; and
- While the VBI is under 100%, there is a risk that a retrenchment program or downsizing of the membership could materially reduce the VBI. To the extent the VBI is reduced, it is expected that Telstra's contributions would increase to restore the VBI to 100% over a reasonable time.

## Recommended contribution and financial condition

As at 30 June 2012, the long-term employer contribution rate required to fund the defined benefits was 15.5% of salaries based on the Aggregate Funding Method, and the long-term cost of future service benefits was estimated 15.7%.

While from 1 July 2013, Prudential Standard SPS 160 requires funding arrangements that return the VBI to 100% within three years, in many situations this is not expected to be achieved under the current Funding Deed.

As a result, the Actuary has recommended that Telstra continue to make contributions to the Scheme in line with the May 2004 Funding Deed until 30 June 2013. From 1 July 2013, Telstra should make contributions to the Scheme at the rate of 16% of defined benefit members' salaries until another recommendation is made.

The Actuary has also made the following recommendations:

- That the Funding Deed be revised to meet the requirements of SPS 160;
- That self-insurance reserve be reviewed annually; and
- The next full actuarial investigation be made with an effective date no later than 30 June 2015.

## Solvency position as at 30 June 2012

The Scheme has received funding and solvency certificates covering the three years to 30 June 2012. We expect that the solvency of the Scheme is likely to be able to be certified in any Funding and Solvency Certificate required under the Superannuation Industry (Supervision) Regulations during the three-year period to 30 June 2015.

## Statement of financial position

### (SIS Regulation 9.31(3))

In opinion of the Actuary, as at 30 June 2012, the financial position of the Scheme was unsatisfactory.

## Significant Events since 30 June 2012

Favourable experience subsequent to 30 June 2012 has meant that the Scheme's defined VBI has improved to 104% and the DABI to 108% as at 30 June 2013, based on data provided by the Scheme. At the date this summary was prepared the MRBI had not been recalculated but would have been significantly over 100%.

In addition, following a review of the investment strategy for the defined benefit assets, in June 2013 we were advised that Telstra Super Pty Ltd had adopted a revised strategy that would have an overall lower risk profile than the previous strategy, with a higher allocation to defensive assets. In addition, illiquid assets would be placed in 'run off' mode.

While the proposed strategy would have a lower level of volatility, it would also have a lower expected level of return. In its letter dated 8 July 2013, JANA has advised that the expected long-term investment return (net of tax) of the proposed strategy would be 5.1% p.a.

This revision of the asset allocation and improved funding position may have a material impact on the contributions required from Telstra. As a result, we are in the process of preparing an updated contribution recommendation.



*Matthew Burgess*

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### Matthew Burgess

Fellow of the Institute of Actuaries of Australia  
25 July 2013

Russell Employee Benefits,  
ABN 70 099 865 013  
GPO Box 5141  
Melbourne VIC 3011



# Important Information

## Telstra Super Trust Deed changes

The Telstra Super Trust Deed sets out the rules by which Telstra Super is managed. There were no amendments made to the Trust Deed during the 2014/2015 financial year.

You can obtain a copy of the Telstra Super Trust Deed online at [www.telstrasuper.com.au/governance](http://www.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 did not 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 2014/2015 was 3.5%, reducing to 3% for 2015/2016.

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

## Telstra Super's advisers

We use external professional advisers to ensure that Telstra Super continues to operate correctly and efficiently. Telstra Super's key advisers for the year to 30 June 2015 are listed below.

<b>Actuarial advisers</b>	Russell Investments Group
<b>Asset consultant</b>	JANA Investment Advisers Pty Ltd
<b>External auditors</b>	Ernst & Young
<b>Internal auditors</b>	KPMG
<b>Principal legal advisers</b>	Lander & Rogers
<b>Master custodian</b>	National Australia Bank Limited

## Reserves

The Trustee maintains a number of reserves: an Insurance Reserve, an Administration Reserve, a Licensing Reserve and an Operational Risk Financial Reserve (ORFR). The ORFR will be built up over three years from 1 July 2013 with the aim of reaching an ORFR target of 0.25% of funds under management.

All reserves are managed in accordance with Telstra Super Pty Ltd's Reserves Policy. The ORFR is invested in a term deposit. The Insurance and Administration Reserves form part of the defined benefit investment strategy of the fund. The Licensing Reserve is an amount held in cash deposit. The total value of all reserves in the fund in each of the last three years was as follows:

- 30 June 2015: \$67,604,000
- 30 June 2014: \$69,367,000
- 30 June 2013: \$51,350,000

For further information about the reserves in the years ending 30 June 2014 and 2015, refer to the Financial Statements at page 48 of this report.

## 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 Telstra Super'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.

### Part of the Telstra Super Family



# Telstra Super

for your whole family

## Indemnity and fidelity insurance

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

## 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 have permanently departed Australia. Tax will be withheld from the payment before it is made.

- If you have not claimed your benefit within six months of departing Australia, it becomes 'unclaimed money' and Telstra Super must pay it to the Australian Taxation Office (ATO).
- If your benefit is transferred to the ATO, you are able to 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 would like further information.

## 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 is not intended to be, and is not, a complete or definitive statement of all matters outlined in it. Telstra Super Pty Ltd does not 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 (Telstra Super). The central document is the Telstra Super Trust Deed. Should there be any discrepancies between the information in this report and the governing rules, the governing rules will prevail.

Telstra Super membership is open to:

- every current and former Telstra Group employee
- employees of a Telstra-approved employer (Telstra Stores), and
- every member of their immediate family who is aged 15 years or over.

Whether you're working full-time or casually, ready to retire or just ready to build your super savings, Telstra Super has a product to meet your needs. And all of our products come with an extensive range of membership benefits.

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Invite your family members to join Telstra Super today – call **1300 033 166** between **8.00am** and **5.30pm** (Melbourne time) Monday to Friday.

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## Contacting us

If you have any questions about anything you read in this Annual Report, your membership, or Telstra Super, please let us know!



### Call 1300 033 166

Our Member Services Consultants are available from **8.00am** to **5.30pm** (Melbourne time), **Monday to Friday**.



### Visit [www.telstrasuper.com.au](http://www.telstrasuper.com.au)

Send us an enquiry or use *SuperOnline* to access or update your super details.



### Fax 03 9653 6060

This fax line is dedicated to member enquiries.



### Write

Telstra Super  
PO Box 14309  
Melbourne VIC 8001