



**Putting you first
for 30 years**



TelstraSuper is an award-winning, profit-to-members superannuation fund.

Membership is open to current and former Telstra Group employees (including Telstra approved employers), and their eligible family members.

What we offer

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

- profits back to you — we're a profit-to-members fund which means profits go back to you instead of shareholders
- competitive fees
- a broad range of investment options, including the ability to invest in the ASX300, Exchange Traded Funds (ETFs) and a range of term deposits
- responsible investing — we consider environmental, social and governance factors when making investments
- a competitively priced retirement income stream for those already in, or close to, retirement
- a range of flexible and affordable insurance options
- the ability to stay with TelstraSuper when you change employers
- access to expert financial advice through TelstraSuper Financial Planning*
- 24/7 access to check and manage your super online

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

Our mission

We help our members create, grow and protect their financial wellbeing throughout their lifetime.

Our goal

We will secure our position in the super industry as a trusted fund with scale and sustainability, to provide the best possible outcomes for our members' financial wellbeing over the long-term.

Our values

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



Integrity and respect

We champion diversity and integrity and act with mutual respect in all our interactions.



One team

We collaborate, embrace change and implement positive ways of working together.



For our members

We place members at the centre of everything we do to deliver improved member outcomes.



Empowerment with accountability

We build confidence and trust, enabling each other to deliver outstanding results for our members.



Community focussed

We act ethically and make meaningful contributions in the community and the industry in which we operate.

Contents

From the Chief Executive Officer	2
From the Chair	4
Celebrating 30 years of TelstraSuper	6
Board of Directors	8
Executive team	10
Our strategic priorities	13
Growing your wealth while helping Australia	14
From the Chief Investment Officer	16
A year in review	18
Investment options	20
Comparing our performance	27
Financial statements	28
Defined benefit members / Governance	34
Investment managers	35
Our people	36
Important information	38

About this Annual Report

This Annual Report is for the 2019/20 financial year and has been prepared by Telstra Super Pty Ltd for the Telstra Superannuation Scheme (TelstraSuper). The details in this report are accurate based on information known as at the time of printing. Any general advice in this report has been prepared without taking into account your objectives, financial situation or needs. Before you act on any general advice in this report, you should consider whether it's appropriate to your individual circumstances. Before making any decisions, you should obtain and read the relevant Product Disclosure Statement which is available on our website at telstrasuper.com.au or by calling 1300 033 166.

From the Chief Executive Officer



Welcome to TelstraSuper's 2019/20 Annual Report. Included in the Report is an update on what we've achieved during this unusual year and how we're planning to deliver further value for members over the coming year.

Supporting our members

The 2019/20 financial year has been particularly challenging for members. From the bushfires around the country to the COVID-19 pandemic, we've seen families around Australia under significant financial pressure. TelstraSuper's focus has been on meeting members' immediate needs and ensuring support is available in the best possible way.

A key component of this strategy was to keep our members informed with regular updates and launching a dedicated COVID-19 microsite to address members' questions, provide investment market updates and other important information. The microsite even saw the introduction of TelstraSuper's first chat-bot that can answer a range of members' common questions.

"As we manage the impact of COVID-19 and adjust to significant changes in our daily lives, we'll continue to keep working hard to help you have the retirement you deserve. Thank you for choosing us to be part of your journey."

Our Member Contact Centre received more than 7,700 calls in the month of March alone — equating to a 59% increase from March the previous year. And as the member enquiries kept rolling in, we redirected a number of staff to the Operations team to assist in processing member requests to minimise delays where possible.

On a global level, the pandemic has strongly affected financial markets. We anticipate ongoing market volatility as we navigate these uncharted times, however it's important to remember that super is a long-term investment and we have a robust diversification strategy in place to help us safeguard members' money. You can read more about this in the update from Chief Investment Officer Graeme Miller on **page 16**.

Aside from COVID-19 related changes to super, we also saw two pieces of legislation passed by Government in relation to how insurance in super works. While the Putting Members' Interests First and Protecting Your Super legislation was aimed at protecting members' savings, there was a risk of members unintentionally losing their insurance. The Fund ran a large project implementing the changes as well as informing members what actions they could take should they wish to retain their insurance. The project was a success with a significant number of members choosing to "opt in" to keep their insurance cover.

We also went through a comprehensive review of our insurance arrangements, resulting in us appointing a new group insurance partner, MLC Life Insurance. The new arrangement will allow TelstraSuper to continue our tradition of offering our members beneficial terms and high levels of service, while at the same time offering good value for money and a few extra benefits.

Our people

We welcomed Anne-Marie Corboy who commenced her role as Chair of the TelstraSuper Board of Directors on 1 July 2019 following the departure of former Chair David Leggo. Anne-Marie has been a strong addition to the Fund with tremendous experience across the superannuation and investments space.

I'd also like to acknowledge the appointment of Bryony Hayes who joined us as Chief Risk Officer in February 2020. Bryony started with us just as the pandemic was evolving and has already proven to be a valuable addition to the management team.

We're also at the final stages of moving our head office to 130 Lonsdale Street, Melbourne. While the pandemic has created some delays, we look forward to eventually utilising this new workspace.

TelstraSuper turns 30

Finally, this year we also celebrate the 30th anniversary of TelstraSuper and the many people who have helped us become what we are today.

Originally established as the Telecom Superannuation Scheme on 1 July 1990, TelstraSuper came about as a result of the privatisation of the Telecom Corporation and the movement of Telecom Corporation staff from the Commonwealth Super Scheme. Starting with around 20,000 members, it was a way for workers to save for their retirement in a fund that was just for them — with the profits of the fund going back to them, not shareholders.

Since then, we've grown to manage more than \$20 billion on behalf of members. In addition to changing our name and opening membership to family members and former Telstra Group employees, we have a proud history of excellent performance and achievement stretching over three decades.

We were also one of the first super funds to launch advice services through TelstraSuper Financial Planning, allowing us to further educate and empower members to make strong financial decisions to benefit their futures.



“From small beginnings in 1990, TelstraSuper now celebrates 30 years of supporting members. Over the years a lot has changed, but one thing has remained the same — members are at the heart of everything we do.”

As a top Platinum rated fund from independent ratings agency SuperRatings for the last 15 years, our core purpose has always been to put you, our members, first, and help you achieve your retirement goals.

I'd like to sincerely thank all the members, current and former colleagues and the wider super industry who have supported us throughout the years.

I'd also like to thank the TelstraSuper team for another successful year and look forward to continuing our success in 2020/21.

A handwritten signature in black ink, appearing to read 'Chris Davies'.

Chris Davies
Chief Executive Officer

From the Chair



TelstraSuper is in a strong financial position, with a focus on sustainability, advocacy and member experience.

The strength of a leading profit-to-members fund

TelstraSuper remains one of the leading profit-to-members super funds, retaining our top Platinum rating from independent ratings agency SuperRatings. To achieve this, we have received high quality ratings across all categories including investments, fees, insurance, financial advice, administration and governance.

From a financial perspective, TelstraSuper remains in a strong position. Fund forecasts for the next five years are positive, with continued growth expected. We are also actively enhancing our member experience, from further refining the online experience to developing products that are the best fit and value for our members.

From a governance perspective, there is a great deal of activity originating from regulatory change, so we are focussed on ensuring that we meet these requirements while appropriately managing risk and continuing good governance.

Taking an active role in the community

On the advocacy front, we are awaiting the results of the Government's Retirement Incomes Review. TelstraSuper took a firm position on the review, actively calling for a stronger focus on women, with the review an opportunity to look at ways to bridge the super gender gap and create positive, meaningful change.

TelstraSuper also made numerous submissions to the Productivity Commission's review of default superannuation, including a call to consider various employer-paid benefits that could be lost during potential reforms. Members' best interests must remain at the heart of any policy change.

In mid-2019 we partnered with Indigenous charity, First Nations Foundation, to better support Aboriginal and Torres Strait Islander members with their super. The highly successful partnership has already seen more than \$4.3 million in lost super reunited through community "Big Super Day Out" events, as well as the launch of indigenoussuper.com.au that provides financial literacy support for Aboriginal and Torres Strait Islander peoples.

"This year has proved to be a challenging year for our whole community. The TelstraSuper team has shown their absolute commitment to members during this time and, on behalf of the Board, I wish to publicly thank the team for all that they have achieved, particularly during the pandemic and lockdowns."

Enhancing our focus on sustainable investment

TelstraSuper has strong policies in the sustainable investment area and we increased this focus with the appointment of a dedicated specialist to lead our sustainable investing practice. This will enable us to apply an Environmental, Social and Governance (ESG) lens over all our investments to ensure that how we are investing aligns with community expectations.

TelstraSuper has long taken an active ownership stance when it comes to investments, which means we engage with the companies we invest in and vote on decisions at their company meetings. 2020 saw us expand on this position by launching our proxy voting dashboard, providing full transparency on how we have voted at various company meetings. Over the year TelstraSuper held 22 direct engagement meetings with companies on ESG issues, with a further 300 meetings held through the Australian Council of Superannuation Investors (ACSI) covering matters such as board composition, diversity, remuneration, worker safety and governance.

Furthermore, we have lifted our collaborative involvement by becoming members of Climate Action 100+, the global investor collaboration that engages directly with companies to promote adoption of the goals of the Paris Agreement.* We also joined the Investor Group on Climate Change Physical Risk and Resilience Working Group, to assist in developing solutions to help investors integrate physical risk and resilience into portfolio management and drive more investment into adaptive solutions.

You can expect to see more regular updates on the work we are doing in the sustainable investment space with our new member bulletin launched mid-2020.

In addition, we are also focusing on our own operations. Our focus on corporate sustainability will continue to increase so that TelstraSuper as a business does its part to meet community expectations and contributes positively to a better world.

2020-2023 strategy

The Board has been working closely with the Executive Management team to finalise the 2020-2023 corporate business plan. This has included some re-adjustments given the current global pandemic and the increased demands on our people working from home.

TelstraSuper has so far weathered the impacts of COVID-19 extremely well. While a number of members needed to access their super under early release grounds, these payments equate to less than 0.5% of funds under management. We will now seek to provide financial education and strategies for these members to re-contribute when they can.

Moving the vast majority of staff to working from home has allowed us to keep the Fund operating to provide vital services to members. From a workplace perspective, we have initiatives in place to support our staff and provide a safe work environment.

Our focus remains on delivering the best possible outcomes for our members. This includes providing a first-rate member experience, delivering strong investment performance, evolving our products and services, striving for operational excellence, and creating a vibrant, empowered and inclusive workforce. We will also look to pursue growth to maintain our position as a Fund with scale and sustainability.

The TelstraSuper Board

The TelstraSuper Board consists of an equal number of employer and member representatives and an independent Chair.

During the financial year we had a couple of changes, with employer director David Burns and member director Melissa Donnelly stepping down. I would like to thank David and Melissa for their valuable contributions to the Fund.

We welcome Meg Bonighton and Nadine Flood as our new employer director and member director respectively.

I joined the Board as Chair in July 2019 and have been so proud to be part of a successful, progressive and caring Fund.

Thank you

Finally, I would like to thank our CEO, Chris Davies, and the whole TelstraSuper team. Their focus on members' best interests is valued by the Board and we are confident we have the right people in place to deliver great outcomes.

On behalf of the Board I would also like to thank all the TelstraSuper members who have joined us over the last 30 years. We are honoured that you have chosen to trust us to assist you in achieving a dignified retirement.



Anne-Marie Corboy
Chair

*climateaction100.org/



Celebrating 30 years of TelstraSuper

This year, we celebrate our 30th anniversary, the latest milestone in our proud history of looking after your retirement savings. Over the last 30 years Australia has changed significantly, and the Fund has changed right alongside it.

It was the Australian government's privatisation of Telstra that led to the establishment of what was then called the 'Telecom Superannuation Scheme'. At that time, members comprised of around 20,000 Telecom employees and we're now one of Australia's leading profit-to-members funds with more than \$20 billion in funds under management.

So what happened along the way? A great deal. For a start, TelstraSuper changed to its current name in 1996 and later opened membership up to former Telstra Group employees and family members. We have introduced a range of products and new investment options, so our members can invest their super where and how they choose and stay with the Fund when they move jobs and transition into retirement.

The Fund has grown considerably over 30 years. In 1990, TelstraSuper employed a handful of staff. Today, we have offices in Sydney, Brisbane and Adelaide, as well as our Melbourne headquarters. But even so, our senior management levels have remained very stable. Chris Davies, who took over as Chief Executive Officer in 2013, is only the third CEO in the Fund's history!

As TelstraSuper is only run to benefit our members, we are member-focused. We don't pay dividends to shareholders and we fiercely advocate for members' best interests through good and tough times.

We were one of the first superannuation funds to offer a financial planning service to members and their partners. TelstraSuper Financial Planning has provided quality financial guidance since 2002 which helps members to plan ahead and maximise their savings.

In 2020 TelstraSuper was awarded Platinum MyChoice super by SuperRatings, in recognition of being 'a best value for money' superannuation fund, along with a 15 year Platinum performance award by SuperRatings, in recognition of being rated a Platinum super fund for 15 consecutive years. This industry recognition is important to us, because it means we are reaching the goals we have set for the Fund and that our members will benefit from our success.

We're also proud to have been named a 2019/20 Workplace Gender Equality Agency Employer of Choice for Gender Equality. This citation recognises TelstraSuper's active commitment to achieving gender equality and our leadership in driving positive change for an inclusive workplace.

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

In helping our members transition to retirement, we also launched a Retirement Bonus of up to \$8,000 for members who open a RetireAccess Retirement income stream account. This, along with our Diversified Income, Direct Access and Defensive Growth investment options, are some of the unique offerings we have for our members.

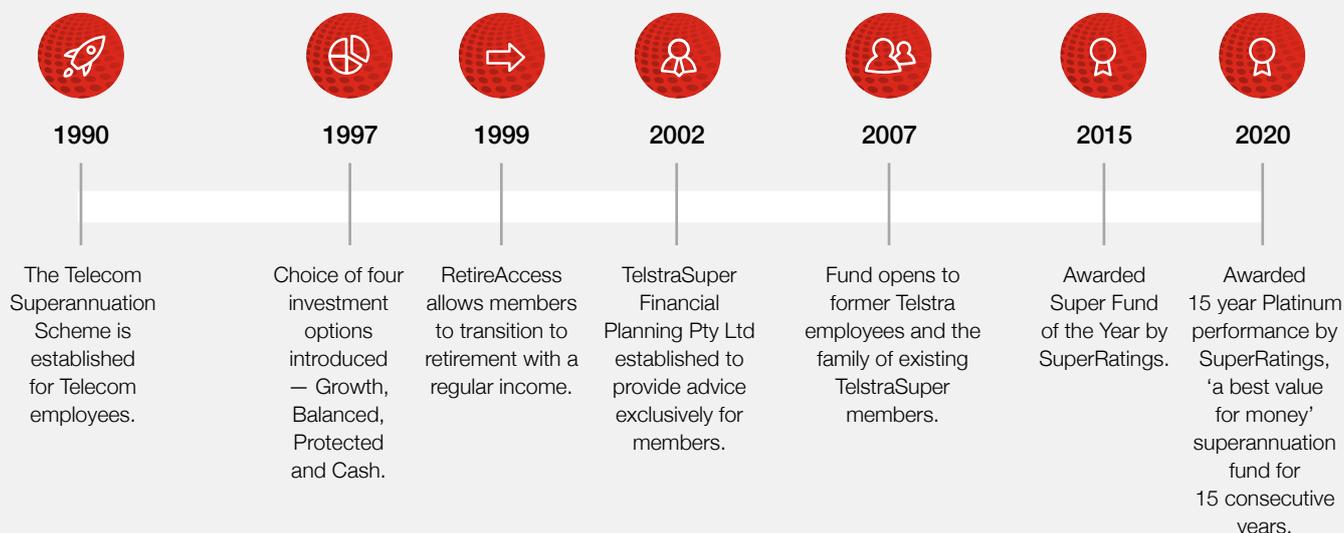
"Thirty years is a significant milestone," says Chris Davies, TelstraSuper's Chief Executive Officer. "We can be proud of our efforts. But anniversaries are also opportunities for reflection and planning ahead. Our commitment to our members is to help them build a financially secure future. That's why we're passionate about delivering on this promise. We hope our members see evidence of this whenever they come into contact with us."

"We thank our members for being on this journey with us and trusting us with their retirement dreams."

We know this year has been difficult for everyone. 2020 started with major bushfires around the country and now the COVID-19 pandemic continues to affect our teams, our members and the global economy.

We are actively managing our members' retirement savings and working extremely hard to offer support and assistance where we can. The Fund remains dedicated to safeguarding our members' savings and helping to ensure they are well managed now, and into the future.

Some important events that have shaped the Fund along the way:



Board of Directors



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

The Board of Directors ensures that members' interests are duly represented and that the Fund is administered according to the governing rules and applicable legislation.

The Board of Directors consists of an equal number of employer and member representatives (referred to as 'Employer Representative Directors' and 'Member Representative Directors') and an Independent Chair.

TelstraSuper's Pty Ltd Board of Directors for the 2019/20 financial year is set out here.

Anne-Marie Corboy

Independent Director/Chair
Appointed July 2019

Ms Corboy was appointed as an independent director and Chair of the Board in July 2019. She is also an independent director and Chair of TelstraSuper Financial Planning Pty Ltd.

Ms Corboy has over 30 years' experience as a director and Chair and was formerly the Chief Executive Officer of HESTA, the largest national superannuation fund for the health and community services sector.

Her previous directorships include Utilities of Australia, Victorian Superannuation Board, Australian Council for Superannuation Investors, Industry Super Australia, Women in Super, MCG Trust, Netball Australia, Peter McCallum Cancer Centre and Northern Health. Ms Corboy also holds current roles with Bank Australia, Ovarian Cancer Research Foundation and the Australian Commonwealth Games Foundation.

Bronwyn Clere



Employer Representative Director
Appointed December 2013

Ms Clere is the Head of New Growth Platforms, Telstra Health. Prior to joining Telstra Corporation Limited in 2012, she spent over 25 years in the Financial Services industry in transformation, operations management, finance and change roles with organisations such as JP Morgan in Australia and New Zealand, AIA in Hong Kong and AXA in Australia, New Zealand and the United Kingdom.

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

Julian Clarke



Employer Representative Director
Appointed October 2017

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

Prior to joining Telstra Corporation Limited in 2009, Mr Clarke worked as a lawyer and Special Counsel with a variety of companies in Australia and overseas and has over 15 years' experience across a range of human resources and legal disciplines. Mr Clarke holds a Master of Arts from the University of Oxford, a Graduate Diploma in Legal Practice from the College of Law in London and a Graduate Diploma in Labour Relations Law from the University of Melbourne.

Steven Fousekas



Employer Representative Director
Appointed November 2018

Mr Fousekas is the Finance Director — Global Business Services and Network and IT at Telstra Corporation Limited. An experienced executive and director, he has held Chief Financial Officer/Finance Director and Business advisory positions across a range of sectors and geographies.

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

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

Meg Bonighton



Employer Representative Director
Appointed September 2019

Ms Bonighton is the Customer Service and Telstra Contact Centres Executive at Telstra Corporation Limited. In this role she is responsible for Telstra's customer service experience, contact centres and assisted digital. These contact centres support 9 million plus Telstra customers across consumer and small business.

Prior to her current role, Ms Bonighton spent more than 16 years in banking, with ANZ and National Australia Bank. She has had a particular focus on retail banking; including channels, product and digital roles, channel leadership and deep product management. Ms Bonighton holds a Bachelor of Business degree and a Bachelor of Arts degree, both from Monash University.

Scott Connolly



Member Representative Director
Appointed June 2016

Mr Connolly is the Assistant Secretary at the ACTU. He is a director of The Union Education Foundation Limited, ACTU Education Inc. and alternate director of National Entitlements Security Trust Pty Ltd. Mr Connolly is an advisory member of UTS Centre for Business and Social Innovation, a member of the National Workplace Relations Consultative Committee and the Australian Industry Standards Expert Panel on Digital Transformation. He is also on the stakeholder advisory board of Members Equity Bank Limited and IFM Investors Pty Ltd.

Prior to this, he worked at Transport Workers Union (TWU) in various roles for 15 years. Mr Connolly has completed the Trade Union program at Harvard University and has a BA (Hons) Industrial Relations from the University of Sydney.

Graham Lorrain



Member Representative Director
Appointed December 2016

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

Dahlia Khatab



Member Representative Director
Appointed June 2019

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

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

Updated appointments

David Burns
Resigned as Employer Representative Director

August 2019

Melissa Donnelly
Resigned as Member Representative Director

June 2020

Executive team



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

To find out more about our Directors and Executive team, visit telstrasuper.com.au/governance.

Chris Davies

Chief Executive Officer

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

Chris joined TelstraSuper in October 2013, having previously been Executive Manager, Member and Employer Solutions at a major profit-to-members super fund.

Chris started his career practising law in national firms, before moving to the financial services sector. Chris' experience in the financial services industry has developed over 30 years with senior roles at very large retail financial services organisations and consulting businesses.

Jean-Luc Ambrosi



Executive General Manager — Marketing and Digital

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

Jean-Luc carries a wealth of experience in financial 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 TelstraSuper in March 2014. He was previously Head of Marketing and Corporate Communication at Vanguard.

Janet Brown



Executive General Manager — People and Culture

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

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

Steve Cullen



Executive General Manager — Member Engagement and Advice

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

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

Paul Curtin



Chief Financial Officer and Executive General Manager — Strategy, PMO and Investment Operations

Paul is responsible for all financial and taxation matters for TelstraSuper and TelstraSuper Financial Planning, and oversees the operation of the Finance and Investment Operations teams.

Paul also oversees the management of TelstraSuper's Strategy and Projects Management Office.

Paul attends Investment Committee, Audit Committee, and Risk Committee meetings.

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

Kathryn Forrest



Executive General Manager — Operations

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

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

Bryony Hayes



Chief Risk Officer

Bryony is TelstraSuper's Chief Risk Officer and has accountability for the Risk Management Framework. She leads the Risk and Compliance team, and manages the relationships with key regulators, including APRA and ASIC. Bryony is also the Fund's AML/CTF Compliance Officer.

Bryony was appointed to the role in February 2020. She is an experienced executive in managing governance functions across global locations, through strategic expansions and operational transformations. She was previously the Chief Risk Officer at VFMC, was the Head of Risk and Compliance with Hastings Funds Management and held senior compliance roles with Capital International, and prior to that was in private legal practice. Bryony holds a Bachelor of Arts/Laws (Hons).

Congratulations to TelstraSuper CEO Chris Davies who was named the 2019 Fund Executive Association Limited (FEAL) Fund Executive of the Year. The annual award recognises a fund executive who has made an outstanding contribution to their fund and the broader super industry — with nominees judged on a number of areas including digital innovation, corporate strategy and industry leadership.

Graeme Miller



Chief Investment Officer

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

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

Steve Miller



General Counsel and Company Secretary

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

Steve joined TelstraSuper in 2002 and was appointed to the Executive Team in 2008. He has over 20 years of legal experience across in-house and private practice environments in Australia and the UK, and has been admitted in both jurisdictions. Prior to joining TelstraSuper, Steve practised in the Melbourne office of a national law firm.

Karen Symes



Executive General Manager — Technology

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

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

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

The leadership team understands the invaluable role our people play in helping our members build a financially secure future. They champion mutual respect and empowerment, while fostering collaboration, flexibility and fairness.



Our strategic priorities

Our strategy's progress is measured across six key strategic priorities. All initiatives are considered with respect to their alignment with these strategic priorities and the way in which they support the delivery of member outcomes and the corporate scorecard metrics.

Activity across each of these strategic priorities will ensure that TelstraSuper can continue to be a high quality superannuation fund retaining a Platinum fund rating from SuperRatings, while retaining scale and sustainability to secure our position in the superannuation industry.



Provide a first-rate member experience



Evolve products and services to suit our members



Strive for operational excellence



Deliver consistently strong investment performance



Create a vibrant, empowered and inclusive workforce



Pursue growth

← Deliver the best possible outcomes for our members →



Growing your wealth while helping Australia

Over the last 30 years the Australian economy has grown steadily. However, there have been periods of flux and volatility at certain times such as the mining boom, the Global Financial Crisis in 2008 and more recently the current COVID-19 pandemic.

Through the good and tough times, we've always looked out for our members' best interests, while returning the profits to their pockets.

TelstraSuper has seen impressive growth in our funds under management over the last 30 years, increasing from \$3.3 billion at the end of our first operational year to over \$20 billion at 30 June 2020. This shows outstanding dedication from our staff, particularly our investment team, to helping our members build a financially secure future.

Let's take a look back at some of our investments on behalf of our members that also work towards helping the Australian economy:

Bunnings (various locations)

TelstraSuper holds a number of Bunnings stores in its portfolio of investments. While we don't invest in the business itself, we do own the land, car parks and buildings at various sites, receiving rental income from the retailer to help your super grow.

Barangaroo development (Sydney)

TelstraSuper was a seed investor in Towers Two and Three at the Lendlease Barangaroo development in Sydney. The development saw the construction of premium grade office buildings that were built with a sustainability focus. The successful project was awarded 6 stars from Green Star and an impressive 5-star NABERS[#] accreditation.

Sherwood Bus Depot (Brisbane)

TelstraSuper also invests in critical infrastructure projects that help the community. Bus users in Brisbane might regularly be benefiting from another TelstraSuper investment. In 2012 we funded the construction of the Sherwood Bus Depot.

This vital piece of infrastructure is used by Brisbane City Council to house and provide maintenance to a fleet of 200 buses. It's proven to be such a good investment we've held onto it — still owning 100% of it today.

Port of Melbourne (Victoria)

The Port of Melbourne is Australia's largest container and general cargo port. It's also one of the top four container ports in the Southern hemisphere. On average, the port handles around 3 million TEU (twenty-foot equivalent units) annually and over 1,100 motor vehicles per day — proving to be vital to trade relations between Australia and the world[^].

TelstraSuper is one of a group of investors that owns the Port of Melbourne through pooled investment funds.

Woolworths' Distribution Centre (Victoria)

In Victoria, TelstraSuper invested in the development and ongoing ownership of the Woolworths' distribution centre at Truganina (Melbourne).

The multi-million dollar state of the art facility stores and delivers fresh produce and chilled products to hundreds of Victorian supermarkets. The centre created around 300 permanent new jobs, and may even lead to less traffic on Melbourne roads — with Woolworths estimating the centre taking up to 600 trucks off the West Gate Bridge each week and a further 3,000 truck movements off Melbourne roads each year*.

Airports (various locations globally)

TelstraSuper holds investment stakes in Melbourne Airport, Perth Airport, Hobart Airport and Cairns Airport. Internationally, the fund has investments at Gatwick Airport (UK), Billy Bishop Airport (Canada), and Brussels Airport (Belgium).

As part of our commitment to sustainability, we ensure that Environmental, Social and Governance factors play an important part in TelstraSuper's decision-making process. Visit telstrasuper.com.au/esg

[#] National Australian Built Environment Rating System

[^] portofmelbourne.com/about-us/trade-statistics

* woolworthsgroup.com.au/page/media/Latest_News/woolworths-breaks-ground-on-135m-melbourne-fresh-distribution-centre-development

From the Chief Investment Officer



The year to 30 June 2020 will go down in history as one of the most volatile years for investment markets. In the wake of the COVID-19 pandemic, we witnessed one of the largest and quickest falls in share markets, only to be followed by the strongest and fastest market recovery in history.

Despite the volatility during the year, TelstraSuper's investment returns for the full year to 30 June were only moderately negative for our Growth and Balanced investment options, and in fact were moderately positive for our Conservative, Defensive Growth and Diversified Income options. Over the longer term, our returns continue to be positive in all of our investment options, and are well ahead of their objectives.

For Accumulation members of our CorporatePlus and PersonalPlus divisions, our Balanced option earned a net return for the year of -1.8%, after all taxes and investment fees, and our Growth option earned -1.9%. For our RetireAccess pension members, the corresponding returns were -2.0% for the Balanced option and -2.1% for the Growth option. This was the first time since 2009 that we've seen a negative return in the Balanced option for the financial year, and the first time since 2012 that we've seen a negative return in the Growth option for the financial year. It is not unusual to see negative returns in these options about once every 4 or 5 years, so we consider that aside from the 2019/20 financial year, the recent experience of seeing only positive annual returns is uncommon.

Pleasingly, our more defensive investment options (Conservative, Defensive Growth and Diversified Income) generated positive returns for members over the last financial year. For details of all our investment returns, please see **page 20 to 26**.

Investment market backdrop

The financial year started off positively for investment markets, despite geopolitical threats such as concerns about escalating trade tensions between the United States and China, the unresolved process for the UK to leave the European Union, and tensions in Hong Kong. By the time we reached January 2020, share markets were showing positive returns, and both the Australian and US share markets reached record highs during that month.

And then COVID-19 hit. Investment markets fell in February, and March 2020 will go down in history as one of the worst performing months for global share markets. The Australian share market fell by more than 20% over the month and the US share market was down by 12.5%. As the rate of COVID-19 infections escalated and governments moved to shut down economies, we saw sharp falls in the value of many different investment types. TelstraSuper's investments were not immune, and our returns in March 2020 were the lowest monthly returns in our 30 year history.

However, when it became clear that we were facing the biggest economic challenge of our generation, Governments and Central Banks across the world took unprecedented action to support and stimulate the economy. Interest rates were slashed to record lows, Central Banks flooded economies with new money, and Governments introduced support measures, such as the JobKeeper payment in Australia, to help avoid an economic catastrophe.

The reaction of investment markets to this stimulus was quite spectacular, and in the last three months of the financial year, share markets clawed back a big part of the losses that had occurred in February and March. The pace and scale of this recovery in investment markets took almost everyone by surprise.

For the financial year to 30 June 2020, the Australian share market delivered a return of -7.7% and the United States share market was up by 7.5% for the year, driven higher by exceptional performance by large technology companies which were well placed to benefit from the COVID-19 lockdowns. As they often do in uncertain times, fixed interest investments performed well over the year, with the Australian fixed interest market delivering returns of 4.2% and global fixed interest markets earning 5.2%. We saw mixed performance from property markets, with retail property such as shopping centres falling in value, but increases in value for other types of property such as warehouses and data centres that were more resilient to shutdowns.

“Super is a long-term investment. While it’s distressing to see ongoing volatility in sharemarket returns due to the COVID-19 pandemic, we encourage you to take a long-term view.”

Investment Outlook

We are currently cautious about the outlook for economic growth. The COVID-19 pandemic and the steps taken to stop its spread have done real damage to the economy. Unemployment levels have increased sharply across the world, and many businesses, large and small, have seen sharp reductions to cashflow.

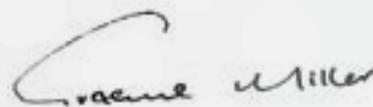
We think that the economic recovery will be slow and patchy, at least until an effective vaccine is developed. On the other hand, we also believe that Governments and Central Banks understand the seriousness of the situation and they will continue to do everything in their powers to cushion the economic blow. This has provided support to investment markets and we believe that it will continue to do so.

Overall, there is an unusually high level of uncertainty about the future path of investment markets. This is because so much depends on how quickly and widely the virus spreads, and on whether economies will be able re-open successfully. In general, share markets seem to be assuming that we will see a strong economic recovery after 2020. We think the danger is that the economic activity continues to be slow, in which case share markets may well fall from their current levels.

Given the current uncertain outlook, we believe it is prudent to position our portfolios somewhat cautiously at this time. We are therefore holding less share market exposure than our long-term targets in most of our diversified investment options, and we’re also holding more foreign currency exposure and unlisted property exposure than usual. We think this positioning means that our members are well-placed to benefit from any further increases in investment markets, while at the same time have more protection if we see market falls.

Thank you

It’s a privilege to be entrusted with the management of our members’ superannuation savings. As we celebrate 30 years as trusted partners, we’ll continue to manage our members’ investments in a prudent and proactive manner, remaining vigilant to identify both opportunities and risks as they emerge. In this way, we expect to continue to deliver strong outcomes for our members over the long-term.



Graeme Miller
Chief Investment Officer

The investment returns mentioned are net of indirect investment costs and investment taxes but before the deduction of any applicable administration fee, indirect administration costs or rebate.

A year in review

\$268,841,804

received in voluntary post-tax contributions in 2019/20

\$64,813,984

received in voluntary pre-tax contributions in 2019/20

\$447,145

received in government co-contributions in 2019/20

+\$20 billion

in funds under management as at 30 June 2020



1,459,156
visits to our website
telstrasuper.com.au



68,358
calls to member services



42%
of visits to our website
via mobile or tablet



7,241
appointments held with
TelstraSuper Financial Planning



13%
of our members downloaded
the TelstraSuper app



22,201
calls taken by TelstraSuper
Financial Planning Advisers

Our members

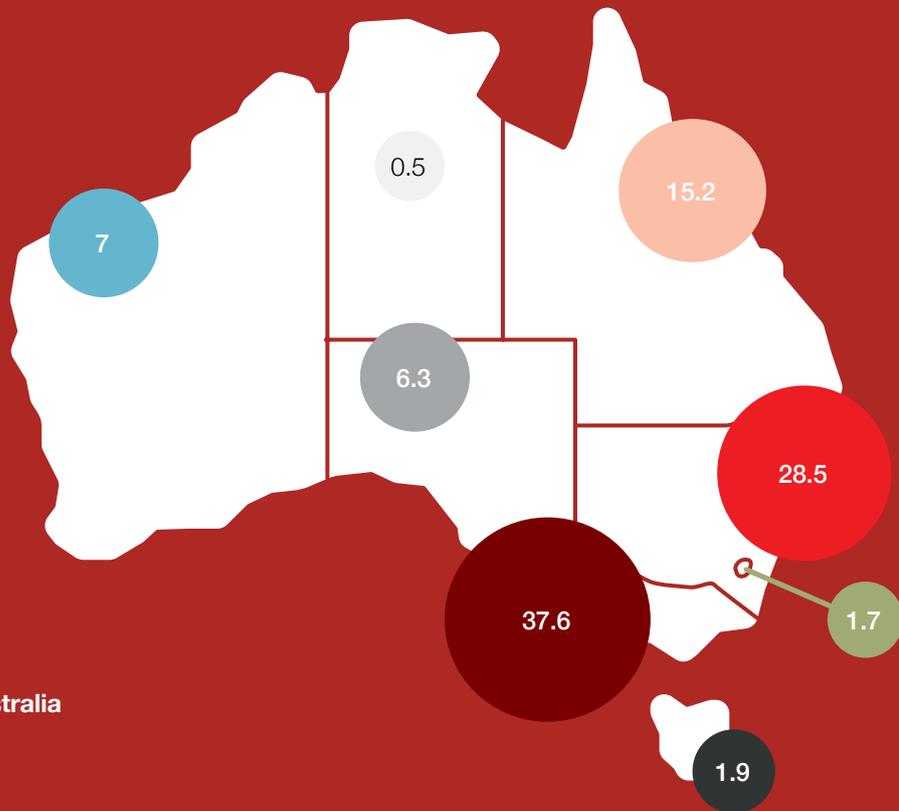


- Male 60.5%
- Female 39.5%

48 average age of female member

50 average age of male member

\$128,355
Median member balance



%
of our members around Australia
In addition 1.3% International

Investment options

Growth option

Investment strategy

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

Return objective

Outperform CPI+3.5%p.a.

Investment time frame

7 to 10 year periods.

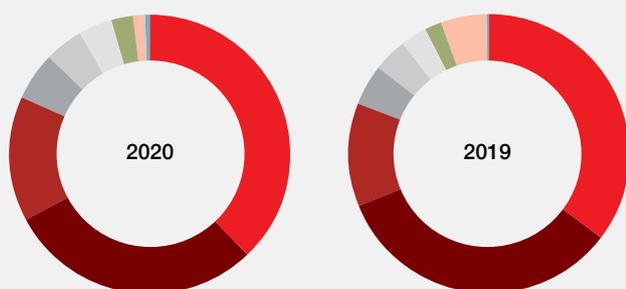
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	-1.93%	-2.09%
3 Year	5.13%	5.56%
5 Year	5.75%	6.23%
7 Year	8.19%	8.90%
10 Year	8.49%	9.50%

Asset allocation



	2020	2019
International Shares	37.8%	35.3%
Australian Shares	29.6%	33.6%
Property	14.5%	12.2%
Infrastructure	5.4%	4.5%
Alternative Debt	4.5%	4.0%
Private Equity	3.9%	3.1%
Cash	2.3%	2.0%
Hedge Funds	1.4%	5.1%
Opportunities	0.6%	0.2%

Balanced option

Investment strategy

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

Return objective

Outperform CPI+3%p.a.

Investment time frame

5 to 10 year periods.

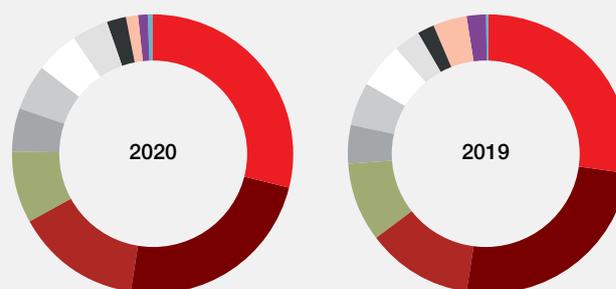
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	-1.81%	-1.98%
3 Year	4.41%	4.91%
5 Year	5.15%	5.71%
7 Year	7.29%	8.11%
10 Year	7.79%	8.82%

Asset allocation



	2020	2019
International Shares	28.3%	27.4%
Australian Shares	23.8%	25.5%
Property	14.8%	12.2%
Cash	8.7%	9.3%
Infrastructure	5.4%	4.4%
Alternative Debt	5.3%	5.1%
Australian Fixed Interest	5.0%	5.1%
Private Equity	3.9%	3.1%
International Fixed Interest	1.9%	1.8%
Hedge Funds	1.4%	4.1%
Credit	0.9%	1.8%
Opportunities	0.6%	0.2%

Asset allocations as at 30 June 2019 and 30 June 2020 reflect asset classifications applicable at those times and may change. For further information about the investment options (including asset allocation ranges, risks and fees and costs), please refer to the relevant Product Disclosure Statement.

TelstraSuper RetireAccess investment returns are different to Accumulation member returns because TelstraSuper RetireAccess returns are not subject to tax. 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. The TelstraSuper RetireAccess investment returns are net of indirect investment costs but before the deduction of any applicable indirect administration cost, administration fee or rebate.

Past performance is not a reliable indicator of future performance.

Diversified Income option

Investment strategy

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

Return objective

Outperform CPI+2%p.a.

Investment time frame

4 to 6 year periods.

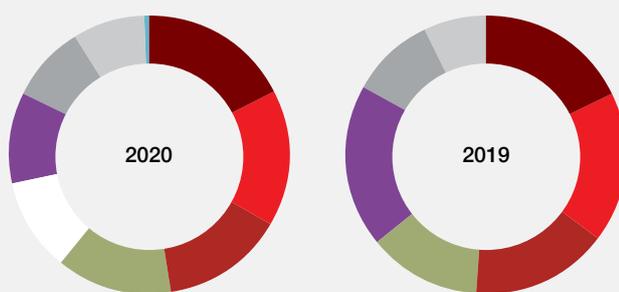
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	0.58%	0.07%
3 Year	4.43%	4.93%
5 Year	5.28%	5.98%
7 Year	6.36%	7.07%
10 Year	-	-

Asset allocation



	2020	2019
● Australian Shares	17.6%	17.7%
● International Shares	15.8%	17.4%
● Property*	14.0%	15.9%
● Cash	13.6%	12.8%
● Australian Fixed Interest	10.7%	-
● Credit	10.6%	19.1%
● Infrastructure	9.0%	10.2%
● Alternative Debt	8.4%	6.9%
● Opportunities	0.3%	-

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

Defensive Growth option

Investment strategy

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

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

Return objective

Outperform CPI+2%p.a.

Investment time frame

4 to 6 year periods.

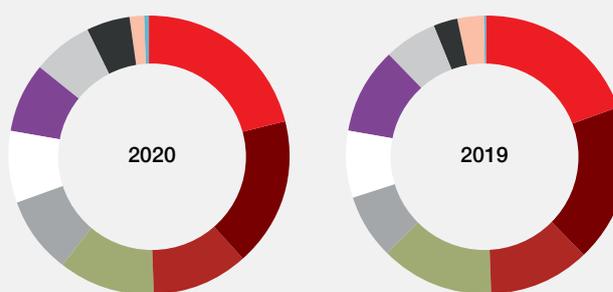
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	0.32%	0.46%
3 Year	5.06%	5.55%
5 Year	5.94%	6.57%
7 Year	7.28%	7.96%
10 Year	7.79%	8.48%

Asset allocation



	2020	2019
● International Shares	21.2%	19.4%
● Australian Shares	17.1%	18.6%
● Property	11.0%	11.6%
● Cash	10.8%	12.9%
● Infrastructure	8.9%	7.6%
● Australian Fixed Interest	8.2%	7.8%
● Credit	8.2%	10.0%
● Alternative Debt	7.3%	6.0%
● International Fixed Interest	5.3%	3.0%
● Hedge Funds	1.4%	3.0%
● Opportunities	0.6%	0.1%

Conservative option

Investment strategy

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

Return objective

Outperform CPI+1.5%p.a.

Investment time frame

3 to 10 year periods.

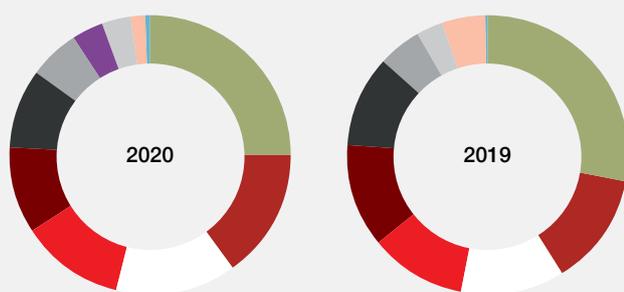
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	0.61%	0.74%
3 Year	3.96%	4.44%
5 Year	4.55%	5.06%
7 Year	5.73%	6.34%
10 Year	6.26%	7.03%

Asset allocation



	2020	2019
Cash	25.0%	27.7%
Property	14.8%	13.2%
Australian Fixed Interest	14.1%	12.1%
International Shares	12.1%	11.3%
Australian Shares	9.8%	11.8%
International Fixed Interest	9.0%	10.4%
Infrastructure	6.3%	5.0%
Credit	3.5%	-
Alternative Debt	3.4%	3.1%
Hedge Funds	1.4%	5.2%
Opportunities	0.6%	0.2%

Australian Shares option

Investment strategy

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

Return objective

Outperform CPI+3.5%p.a.

Investment time frame

8 to 10 year periods.

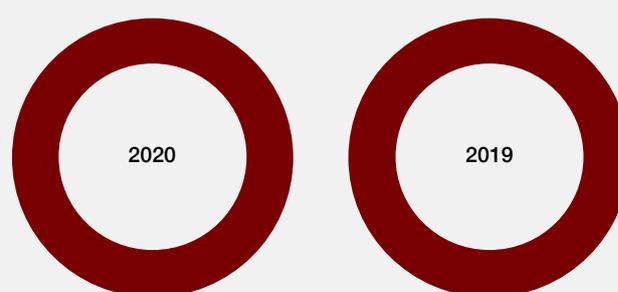
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	-6.02%	-6.68%
3 Year	4.23%	4.72%
5 Year	5.56%	6.16%
7 Year	7.35%	7.94%
10 Year	8.00%	8.81%

Asset allocation



	2020	2019
Australian Shares	100%	100%

International Shares option

Investment strategy

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

Return objective

Outperform CPI+3.5%p.a.

Investment time frame

8 to 10 year periods.

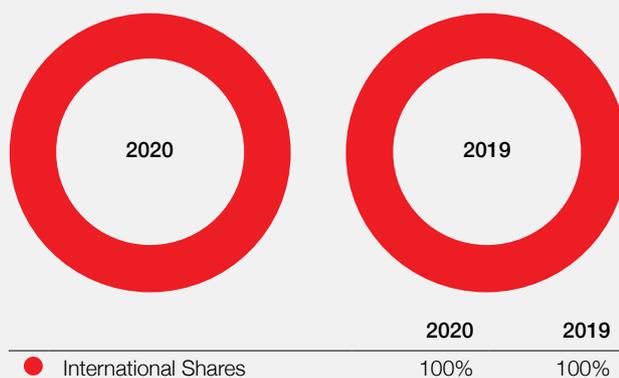
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	-0.39%	-0.46%
3 Year	5.75%	6.08%
5 Year	5.84%	6.27%
7 Year	9.25%	9.99%
10 Year	9.29%	10.40%

Asset allocation



Property option

Investment strategy

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

Return objective

Outperform CPI+3%p.a.

Investment time frame

5 to 7 year periods.

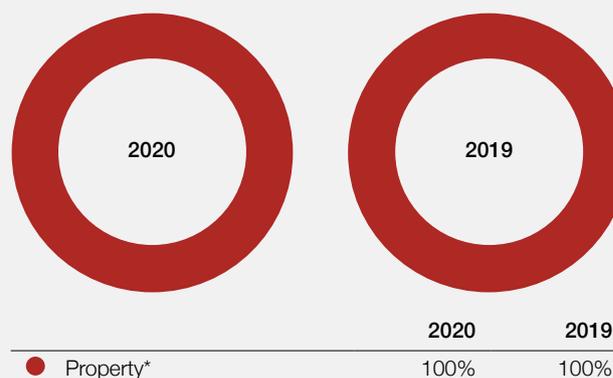
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	1.29%	1.81%
3 Year	7.63%	8.58%
5 Year	9.24%	10.16%
7 Year	9.98%	11.21%
10 Year	9.45%	10.82%

Asset allocation



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

Fixed Interest option

Investment strategy

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

Return objective

Outperform CPI.

Investment time frame

4 to 6 year periods.

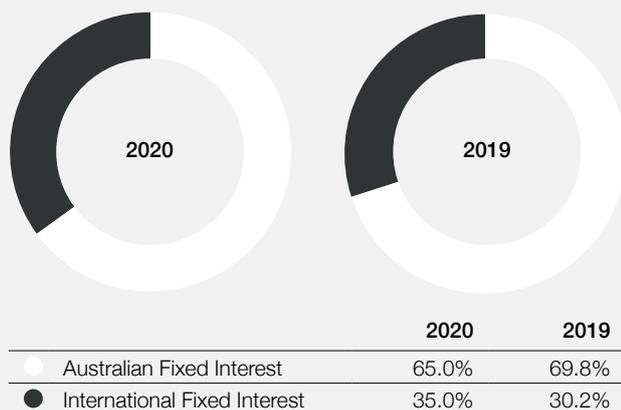
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	3.37%	3.92%
3 Year	3.78%	4.39%
5 Year	3.74%	4.30%
7 Year	4.05%	4.67%
10 Year	4.66%	5.36%

Asset allocation



Cash option

Investment strategy

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

Return objective

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

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

Investment time frame

0 to 2 year periods.

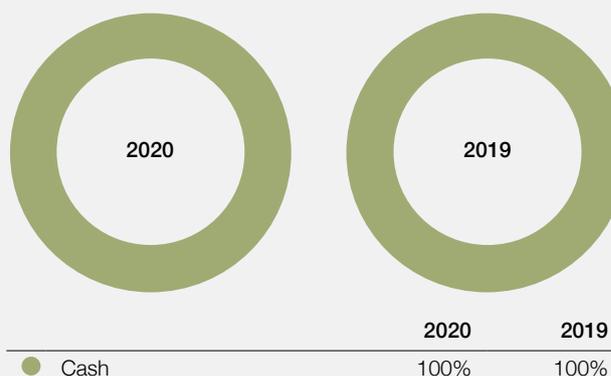
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	1.03%	1.20%
3 Year	1.57%	1.84%
5 Year	1.75%	2.03%
7 Year	1.97%	2.27%
10 Year	2.53%	2.94%

Asset allocation



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

Direct Access option

Investment strategy

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

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

Return objective

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

Investment time frame

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

Access option are:

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

Risk objective

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

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

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

Long-term strategic investment mix

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

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

MySuper Conservative

Investment strategy

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

Return objective

Outperform CPI+1.5%p.a.

Investment time frame

3 to 10 year periods.

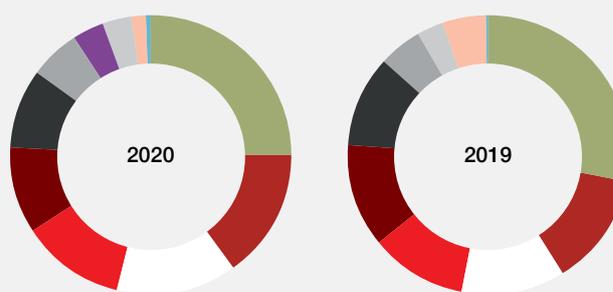
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	0.61%	0.74%
3 Year	3.96%	4.44%
5 Year	4.55%	5.06%
7 Year	5.73%	6.34%
10 Year	6.26%	7.03%

Asset allocation



	2020	2019
● Cash	25.0%	27.7%
● Property	14.8%	13.2%
● Australian Fixed Interest	14.1%	12.1%
● International Shares	12.1%	11.3%
● Australian Shares	9.8%	11.8%
● International Fixed Interest	9.0%	10.4%
● Infrastructure	6.3%	5.0%
● Credit	3.5%	-
● Alternative Debt	3.4%	3.1%
● Hedge Funds	1.4%	5.2%
● Opportunities	0.6%	0.2%

MySuper Growth

Investment strategy

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

Return objective

Outperform CPI+3.5%p.a.

Investment time frame

7 to 10 year periods.

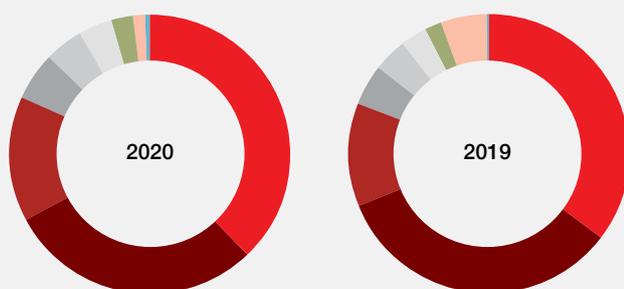
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	-1.93%	-2.09%
3 Year	5.13%	5.56%
5 Year	5.75%	6.23%
7 Year	8.19%	8.90%
10 Year	8.49%	9.50%

Asset allocation



	2020	2019
International Shares	37.8%	35.3%
Australian Shares	29.6%	33.6%
Property	14.5%	12.2%
Infrastructure	5.4%	4.5%
Alternative Debt	4.5%	4.0%
Private Equity	3.9%	3.1%
Cash	2.3%	2.0%
Hedge Funds	1.4%	5.1%
Opportunities	0.6%	0.2%

MySuper Balanced

Investment strategy

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

Return objective

Outperform CPI+3%p.a.

Investment time frame

5 to 10 year periods.

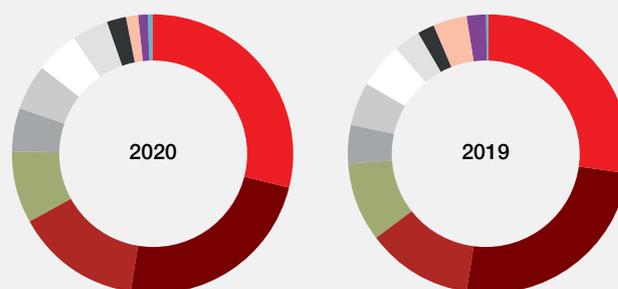
Risk objective

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

Performance

Year to 30 June 2020	Accumulation member returns	RetireAccess returns
1 Year	-1.81%	-1.98%
3 Year	4.41%	4.91%
5 Year	5.15%	5.71%
7 Year	7.29%	8.11%
10 Year	7.79%	8.82%

Asset allocation



	2020	2019
International Shares	28.3%	27.4%
Australian Shares	23.8%	25.5%
Property	14.8%	12.2%
Cash	8.7%	9.3%
Infrastructure	5.4%	4.4%
Alternative Debt	5.3%	5.1%
Australian Fixed Interest	5.0%	5.1%
Private Equity	3.9%	3.1%
International Fixed Interest	1.9%	1.8%
Hedge Funds	1.4%	4.1%
Credit	0.9%	1.8%
Opportunities	0.6%	0.2%

Comparing our performance

As well as striving to meet our own return objectives, we also benchmark our investment options (apart from Direct Access) against the performance of other super funds surveyed by SuperRatings. With a focus on the long-term, we aim to provide members with returns that exceed others in the industry as determined by SuperRatings surveys and medians.

Most of our investment options outperformed the median over five and ten years. This long-term trend of out-performance continues with seven options outperforming the median over ten years.[^]

TelstraSuper Corporate Plus and Personal Plus (Accumulation)

Option	5 years	5 years median	10 years	10 years median
Growth	5.75%	6.35%	8.49%	7.98%
Balanced	5.15%	5.83%	7.79%	7.43%
Diversified Income*	5.28%	4.50%	-	-
Defensive Growth	5.94%	4.67%	7.79%	6.29%
Conservative	4.55%	3.95%	6.26%	5.18%
International Shares	5.84%	7.75%	9.29%	10.21%
Australian Shares	5.56%	6.12%	8.00%	7.90%
Property	9.24%	6.17%	9.45%	7.80%
Fixed Interest	3.74%	3.38%	4.66%	4.64%
Cash	1.75%	1.61%	2.53%	2.48%

The latest returns and investment updates can be found at telstrasuper.com.au/investments

[^] Source: SuperRatings Fund Crediting Rate Survey, June 2020. Find out more at superratings.com.au/ratings

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

TelstraSuper's returns shown in this comparison relate to accumulation members or accounts and do not apply to TelstraSuper RetireAccess members or defined benefits. The accumulation investment returns are net of indirect investment costs and investment taxes but before the deduction of any applicable administration fee, indirect administration costs or rebate. Returns are to the 5 year and 10 year periods ending 30 June 2020 (where available). Past performance is not a reliable indicator of future performance.

Financial statements

Statement of Financial Position for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
Assets		
Cash and cash equivalents	1,343,535	1,625,751
Australian fixed interest securities	4,686,618	3,731,290
International fixed interest securities	2,111,219	1,953,091
Australian equities	4,090,715	5,332,159
International equities	4,718,909	4,772,075
Hedge funds	232,900	867,610
Private equity	476,095	448,740
Property	2,750,519	2,553,186
Infrastructure	968,571	843,081
Derivative assets	187,571	31,792
Investment income receivable	34,488	51,540
Unsettled investment sales	121,956	138,434
Accounts receivable	6,630	7,078
Current income tax receivable	-	62,830
Property, plant and equipment	7,802	6,558
Right-of-use lease assets	19,583	-
Total assets	21,757,111	22,425,215
Liabilities		
Benefits payable	(7,465)	(13,541)
Accounts payable	(27,209)	(30,003)
Unsettled investment purchases and payables	(384,487)	(244,415)
Derivative liabilities	(17,822)	(23,785)
Lease liabilities	(19,769)	-
Current income tax liabilities	(1,333)	-
Deferred income tax liabilities	(191,729)	(300,697)
Total liabilities excluding member benefits	(649,814)	(612,441)
Net assets available for member benefits	21,107,297	21,812,774
Member benefits		
Defined contribution member liabilities	(19,064,893)	(19,450,854)
Defined benefit member liabilities	(1,620,426)	(1,816,929)
Total member liabilities	(20,685,319)	(21,267,783)
Total net assets	421,978	544,991
Equity		
Operational risk financial reserve	52,967	53,341
Insurance reserve	1,884	2,000
Administration reserve	69,125	63,845
Unallocated surplus	298,002	425,805
Total equity	421,978	544,991

Statement of Comprehensive Income for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
Superannuation activities		
Interest	156,786	150,820
Dividends and distributions	365,621	598,163
Property trust income	109,036	108,563
Net foreign exchange gains/(losses)	(163,736)	175,344
Changes in assets measured at fair value	(666,745)	440,516
Other investment income/(losses)	(16,815)	3,031
Other operating income	3,256	2,879
Total superannuation activities income/(losses)	(212,597)	1,479,316
Expenses		
Investment expenses	(90,816)	(82,578)
Administration expenses	(58,871)	(55,324)
Interest on lease liability	(136)	-
Total liabilities excluding member benefits	(149,823)	(137,902)
Net assets available for member benefits	(362,420)	1,341,414
Profit/(loss) from operating activities	(362,420)	1,341,414
Net losses/(benefits) allocated to defined contribution member accounts	289,150	(1,242,921)
Net change in defined benefit member liabilities	(140,460)	(95,546)
Profit/(loss) before income tax	(213,730)	2,947
Income tax benefit	85,103	7,555
Profit/(loss) after income tax	(128,627)	10,502

Statement of Changes in Member Benefits for the year ended 30 June 2020

	Defined Contribution Members 2020 \$'000	Defined Benefit Members 2020 \$'000	Total 2020 \$'000
Opening balance as at 1 July 2019	19,450,854	1,816,929	21,267,783
Employer contributions	461,330	34,390	495,720
Member contributions	269,716	3,962	273,678
Government contributions	1,878	-	1,878
Transfers from other superannuation funds	601,832	2,532	604,364
Transfers to other superannuation funds	(619,081)	(369,554)	(988,635)
Income tax on contributions	(67,231)	(5,158)	(72,389)
Benefits to members/beneficiaries	(738,197)	(591)	(738,788)
Insurance premiums charged to members' accounts	(35,656)	(2,294)	(37,950)
Insurance benefits credited to members' accounts	33,879	82	33,961
Reserves transferred to/(from) members: Insurance reserve	-	116	116
Administration reserve	(4,866)	(413)	(5,279)
Operational risk financial reserve	(415)	(35)	(450)
Net benefits allocated to members' accounts: Net investment income	(244,177)	-	(244,177)
Administration fees	(44,973)	-	(44,973)
Net change in DB member benefits	-	140,460	140,460
Closing balance as at 30 June 2020	19,064,893	1,620,426	20,685,319

	Defined Contribution Members 2019 \$'000	Defined Benefit Members 2019 \$'000	Total 2019 \$'000
Opening balance as at 1 July 2018	18,176,285	2,120,892	20,297,177
Employer contributions	477,907	55,836	533,743
Member contributions	249,776	5,129	254,905
Government contributions	2,016	-	2,016
Transfers from other superannuation funds	679,854	17,103	696,957
Transfers to other superannuation funds	(608,686)	(466,665)	(1,075,351)
Income tax on contributions	(66,016)	(8,375)	(74,391)
Benefits to members/beneficiaries	(682,809)	(2,270)	(685,079)
Insurance premiums charged to members' accounts	(37,984)	(2,641)	(40,625)
Insurance benefits credited to members' accounts	28,172	362	28,534
Reserves transferred to/(from) members: Insurance reserve	-	3,000	3,000
Administration reserve	(10,406)	(972)	(11,378)
Operational risk financial reserve	(176)	(16)	(192)
Net benefits allocated to members' accounts: Net investment income	1,286,129	-	1,286,129
Administration fees	(43,208)	-	(43,208)
Net change in DB member benefits	-	95,546	95,546
Closing balance as at 30 June 2019	19,450,854	1,816,929	21,267,783

Statement of Changes in Reserves for the year ended 30 June 2020

	Unallocated surplus	Operational risk financial reserve	Insurance reserve	Administration reserve	Total equity
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Operating balance as at 1 July 2019	425,805	53,341	2,000	63,845	544,991
Transfer from DC member accounts	-	415	-	4,866	5,281
Transfer from/(to) DB member accounts	-	35	(116)	414	333
Profit/(loss)	(127,803)	(824)	-	-	(128,627)
Closing balance as at 30 June 2020	298,002	52,967	1,884	69,125	421,978

	Unallocated surplus	Operational risk financial reserve	Insurance reserve	Administration reserve	Total equity
	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
Operating balance as at 1 July 2018	416,507	51,945	5,000	52,467	525,919
Transfer from DC member accounts	-	176	-	10,406	10,582
Transfer from/(to) DB member accounts	-	16	(3,000)	972	(2,012)
Profit/(loss)	9,298	1,204	-	-	10,502
Closing balance as at 30 June 2019	425,805	53,341	2,000	63,845	544,991

Statement of Cash Flows for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
Cash flows from operating activities		
Interest received	157,731	150,885
Dividends and distributions	382,429	610,301
Property trust income	109,036	108,563
Other incomes	(12,565)	2,633
Investment expenses	(90,673)	(87,060)
Administration expenses	(57,204)	(50,635)
Interest on lease liability	(136)	-
Group life insurance premiums	(37,949)	(40,625)
Insurance benefits credited to members' accounts	33,961	28,534
Income tax refund/(paid) by operating activities	40,297	(59,570)
Net cash inflows from operating activities	524,927	663,026
Cash flows from investing activities		
Proceeds from sales of investment assets	27,259,967	19,833,501
Purchases of investment assets	(27,629,953)	(20,097,760)
Purchase of property, plant and equipment	(3,385)	(1,808)
Net cash outflows from investing activities	(373,371)	(266,067)
Cash flows from financing activities		
Employer contributions received	494,076	534,263
Member contributions received	273,663	254,910
Government co-contributions received	1,878	2,016
Transfers from other superannuation funds received	604,364	696,957
Transfers paid to other superannuation funds	(988,635)	(1,075,352)
Benefits paid to members and beneficiaries	(744,863)	(671,616)
Payment of principal portion of lease liabilities	(1,866)	-
Income tax paid by financing activities	(72,389)	(74,391)
Net cash outflows from financing activities	(433,772)	(333,213)
Net increase/(decrease) in cash	(282,216)	63,746
Cash at the beginning of the financial year	1,625,751	1,562,005
Cash at the end of the financial year	1,343,535	1,625,751

The audited fund accounts and the auditor's report for the 2019/20 financial year are available on request or for download at telstrasuper.com.au/annualreport from 31 October 2020.

A close-up photograph of a woman with short, curly white hair, laughing heartily. She is wearing a grey tank top with purple straps. The background is a soft-focus beach scene at sunset, with the sun low on the horizon and a cloudy sky.

“Superannuation is my lifestyle beyond working and therefore extremely important. TelstraSuper has my trust to make sure it’s going to be as comfortable as it can possibly be for my super balance.”

TelstraSuper member

Defined benefit members

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

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

Our defined benefit investment objectives

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

Our defined benefit investment strategy

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

Defined benefit net earning rate

The defined benefit net earning rate was 1.48% on our investment portfolio for 2019/20.*

*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.

Governance

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

Below is a description of the information you can find on our Governance page at telstrasuper.com.au/governance.

- Trust Deed
- Special Determinations
- Constitution
- Significant Event Notices (SENs) and Material Change Notices
- Information about our range of specialist service providers
- Conflicts Management Framework
- Proxy voting policy.

Investment managers

as at 30 June 2020

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

Alternative Debt

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

Asset Allocation

Challenger Investment Solutions
Management Pty Ltd

Australian Equities

Alliance Bernstein Investment
Management Australia Limited
First Sentier Investors (Australia) IM Ltd
Optar Pty Ltd
Pental Institutional Limited
State Street Global Advisors;
Australia Limited
Telstra Super Pty Ltd
Alphinity Investment Management Pty Ltd
Schroder Investment Management
Australia Limited
Spheria Asset Management Pty Ltd

Australian Fixed Interest

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

Cash

Pental Group Limited
Telstra Super Pty Ltd

Credit

Pimco Australia Pty Limited
Wellington Management Australia Pty Ltd

Currency Overlay

Insight Investment International
Management Pty Ltd
Telstra Super Pty Ltd

Diversified Opportunities

Telstra Super Pty Ltd

Hedge Funds

Arrowgrass Investment Management LLP
Caxton Associates LP
Pacific Alliance Investment
Management Limited
Pharo Global Advisors Limited
Pine River Capital Management LP

Infrastructure

Atlas Infrastructure (Australia) Pty Ltd
Charter Hall Group
Global Infrastructure Management LLC
JP Morgan Investment Management Inc.
Morrison & Co Utilities Management
(Australia) Pty Ltd
QIC Limited
RARE Infrastructure Limited
Telstra Super Pty Ltd
Whitehelm Capital Pty Ltd

International Equities

Artisan Partners Limited Partnership
Bell Asset Management Limited
Longview Partners (Guernsey) Limited
LSV Asset Management
MFS International Australia Pty Ltd
Paradice Investment Management Pty Ltd
Pyrford International Limited
Pzena Investment Management LLC
Schroder Investment
Management Australia Limited
State Street Global Advisors;
Australia Limited
Talaria Asset Management Pty Ltd
TT International (Hong Kong) Limited

International fixed interest

Pimco Australia Pty Limited
Western Asset Management
Company Pty Ltd

Listed Property Opportunities

Charter Hall Holdings Pty Ltd

Opportunities

Berkshire Property Advisors LLC

Private Markets

Adam Street Partners LLC
Advent Management Group
Affinity Equity Partners Limited
Airtree Ventures Pty Limited
Angeleno Group LLC
Archer Capital Pty Ltd
Audax Private Equity Business VI, L.P.
Blackbird 2020 Management Pty Ltd
Brandon Capital Partners
Catalyst Investment Managers Pty Ltd

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

Property

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



Big enough to do meaningful work, small enough to care

At TelstraSuper our employee experience is created through our caring and collaborative community, rewarding career experiences and our close connection to members. These elements embody our core values and combine to create a business that is big enough so we can do meaningful work and small enough to care about its people.

Closely connected to members

At TelstraSuper we're not only a fund with a strong reputation for performance, but a fund that understands the importance of placing our members at the centre of our business decisions.

We're a profit-to-members fund that only runs to benefit our members. We fiercely advocate for members' best interests through good and tough times.

We're proud of the culture and values the fund and our employees embody as they work hard in helping all our members achieve their retirement goals.

Caring and collaborative community

As a TelstraSuper employee, our employees are part of a team that's high performing, socially responsible, inclusive and respectful. It's a place where people are family and where we celebrate the fact that our diversity makes us great.

Our Diversity and Inclusion strategy focuses on enhancing the TelstraSuper work environment through three foundational streams:

- Inclusion and respect — our people have the opportunity to learn and grow with us, regardless of their gender, age, ethnicity, cultural background, disability, religion and sexual orientation and professional background.
- Diversity in leadership — increasing representation of women in leadership roles and ensuring we build inclusive leadership capability.
- Flexible work and career — enabled by technology, fair policies and practices to ensure TelstraSuper employees can balance their work and personal life.

Workplace Employer of Choice for Gender Equality 2019/20



In early 2020 TelstraSuper was recognised for a second time as a Workplace Employer of Choice for Gender Equality 2019/20. The EOCGE citation recognises TelstraSuper's active commitment to achieving gender equality and its leadership in driving positive change for an inclusive workplace.

Trends amongst recipients of the citation this year include, entrenching flexible work across the organisation, programs to support women into leadership, tailored parental leave policies to support both women and men, supporting men's caring responsibilities and robust analysis and correction of gender pay gaps.

Our people

Rewarding career experience

Team members at TelstraSuper can expect to make a difference through their work, have a direct impact on the achievement of a very meaningful mission, advance their career trajectory, and have room for fun and fulfillment in their daily life. We know that achieving a mission as critical as ours requires incredible talent and teamwork and we are committed to investing in the capabilities of our people.

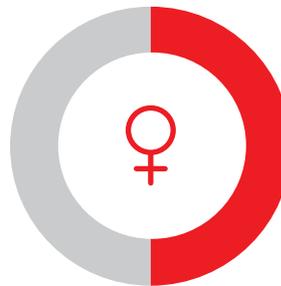
2020 YourVoice Employee Engagement Survey highlights

Our yearly staff survey results support the culture of empowerment and flexibility we are promoting when providing a deep and rewarding career experience.

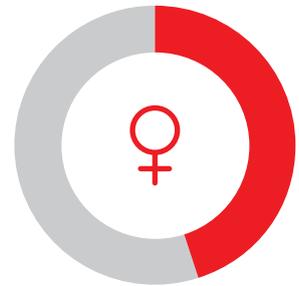
95% of our people understand why we exist and our purpose and the impact we have on our members

84% of our people indicated they are supported in balancing their work life and personal needs

88% have flexibility to manage work and caring responsibilities



50% of board members are female



45% of employees are female, working towards 50/50

Giving back

TelstraSuper continually supports fundraising events including the Mother's Day Classic, Connor's Run, and causes that are important to both our employees and members.

"I'm proud of the culture and values the Fund and our employees embody as they work hard in helping all our members achieve their retirement goals."

Chris Davies, CEO

Important information

TelstraSuper trust deed changes

The TelstraSuper trust deed sets out the rules by which TelstraSuper is managed. There were no amendments made to the trust deed during the 2019/20 financial year.

You can obtain a copy of the TelstraSuper trust deed online at telstrasuper.com.au/governance.

Surcharge

If you are a defined benefit member and you didn't pay the amount in your Surcharge Account by the date nominated on your assessment, interest is 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 2019/20 was 1.32%.

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

TelstraSuper's advisers

We use external professional advisers to ensure that TelstraSuper continues to operate correctly and efficiently. TelstraSuper's key advisers for the year to 30 June 2020 are listed below.

Actuarial advisers

Willis Towers Watson

Asset consultant

JANA Investment Advisers Pty Ltd
and Albourne Partners

External auditors

Ernst & Young

Internal auditors

KPMG

Principal legal advisers

HWL Ebsworth Lawyers

Master custodian

JPMorgan Chase Bank, N.A., Sydney branch

Taxation advisers

PwC

Reserves

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

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

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

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

- 30 June 2020: \$123,976,000
- 30 June 2019: \$119,186,000
- 30 June 2018: \$109,412,000

Balances of reserves:

Balance as at 30 June	2018 \$'000	2019 \$'000	2020 \$'000
Administration reserve	52,467	63,845	69,125
ORFR	51,945	53,341	52,967
Insurance reserve	5,000	2,000	1,884

For further information about the reserves in the years ending 30 June 2020, 2019 and 2018, refer to the Financial Statements found at telstrasuper.com.au/financialstatements.

Derivatives

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

The responsible and properly managed use of derivatives assists Telstra Super 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 monitors the use of derivatives by:

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

Indemnity and fidelity insurance

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

Temporary residents

Superannuation lump sums can 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 a member hasn't claimed their benefit within six months of departing Australia, it generally becomes 'unclaimed money' and Telstra Super must pay it to the ATO. If a benefit is transferred to the ATO, a member can apply to the ATO for their benefit.

Under Australian Securities and Investments Commission relief, an exit statement is not required if a member's benefit is paid to the ATO in these circumstances. Please contact us on **1300 033 166** if you'd like further information.

Transfers to the Australian Tax Office (ATO)

If a member's account balance is less than \$6,000 on 30 June or 31 December and a contribution or transfer has not been made to their account in the previous 16 months, legislation generally requires us to classify their account as an inactive low balance account. If a member's account continues to be inactive for four months after the relevant date (being 30 June or 31 December) we will be required to transfer their account balance to the ATO (unless they have insurance cover on their account). The ATO will then seek to consolidate the transferred account balance to their other active superannuation account where possible. We will contact the member prior to their account being transferred to the ATO to give them the opportunity to retain these funds with TelstraSuper.

We are required to transfer a lost member's account balance to the ATO depending on the size of the account balance or period of inactivity, as set out in government legislation. A lost member is generally someone who has never had an address with us, or whose correspondence has been returned to us as unclaimed, or for whom no contributions or transfers have been received for an extended period. Visit the ATO website ato.gov.au for more information.

A super benefit is considered to be unclaimed money in certain circumstances as defined in government legislation e.g. if a member has reached retirement age and there has been no contact with them and their account has been inactive over a long period. We are required by law to report and pay unclaimed super to the ATO.

Applications for repayment of unclaimed money may be made to the ATO. Visit the ATO website ato.gov.au for more information.

Premium adjustment mechanisms

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

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

Disclaimers

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

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

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

Telstra Super Pty Ltd, ABN 86 007 422 522, AFSL 236709, is the Trustee of the Telstra Superannuation Scheme, ABN 85 502 108 833 (TelstraSuper). References to TelstraSuper Financial Planning in this report are to TelstraSuper Financial Planning Pty Ltd (ABN 74 097 777 725), AFSL 218705. © Telstra Super Pty Ltd, October 2020.



Over the last 30 years there's been plenty of change at TelstraSuper.

We've built strong digital capabilities, educated thousands of members through seminars and advice, assisted thousands more over the phones and through our dedicated Financial Planning business and expanded our accumulation and retirement product offerings significantly. We also continue to manage the original defined benefit fund which has many of our most loyal and engaged members.

But one thing has stayed the same;
it's always been about you — our members.



Visit the website
telstrasuper.com.au



Call us
1300 033 166



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Melbourne VIC 8001