

**TODAY'S TOPIC**

# 2021 Annual Investment Update

**Thank you for joining us.  
We will commence shortly.**



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

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# Meet the Speakers



**Graeme Miller**  
Chief Investment Officer  
Telstra Super Pty Ltd  
AFSL 236709



**Anthea Kos**  
Member education consultant  
Telstra Super Pty Ltd  
AFSL 236709

## **IMPORTANT NOTICE**

This presentation contains factual information and general advice only. It has been prepared without taking into account your objectives, financial situation and needs. Before you act on any information or make any financial decision, you should consider whether it is appropriate having regard to your personal circumstances.

If you are considering acquiring a financial product you should obtain the relevant product disclosure statement (PDS) before making any decision. You may wish to consult an Advisor before you make any decisions relating to your financial affairs. To speak with an Advisor from TelstraSuper Financial Planning, call 1300 033 133.

The taxation information in this presentation is factual information only. If you require taxation advice you should consult your accountant or tax adviser.

# Today's Agenda

1. How did investment markets perform in the 2020/2021 Financial Year?
2. How did TelstraSuper's investment options perform in the 2020/2021 Financial Year?
3. What is the investment outlook for the 2021/2022 financial year?
4. How are TelstraSuper's investment portfolios currently positioned?
5. Deep dive into the International Equities asset class

# Investment Market Performance for the 2020/2021 Financial Year



Performance is gross of tax, and based on the following indices:

Australian Shares: S&P/ASX 300 Accumulation Index

Australian Unlisted Property: Mercer/IPD Australian Pooled Property Fund Index

Australian Fixed Interest: Bloomberg AusBond Composite Bond Index

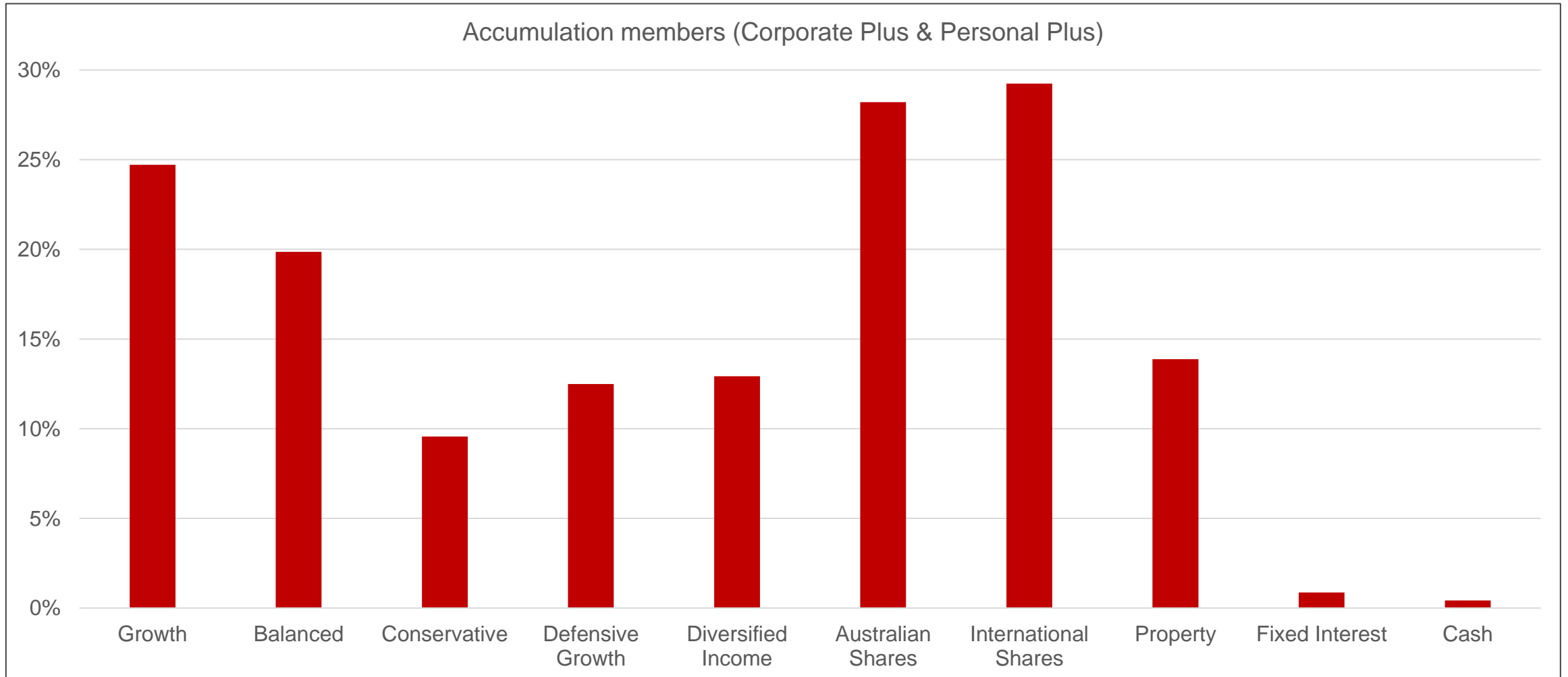
Cash: Bloomberg AusBond Bank Bill Index

International Shares (in AUD) MSCI ACWI ex-Aust Net Div AUD

Infrastructure: TelstraSuper portfolio

International Fixed Interest (currency hedged): Bloomberg Barclays Capital Global Aggregate Hedged in AUD

# TelstraSuper's investment option performance for the 2020/2021 Financial Year

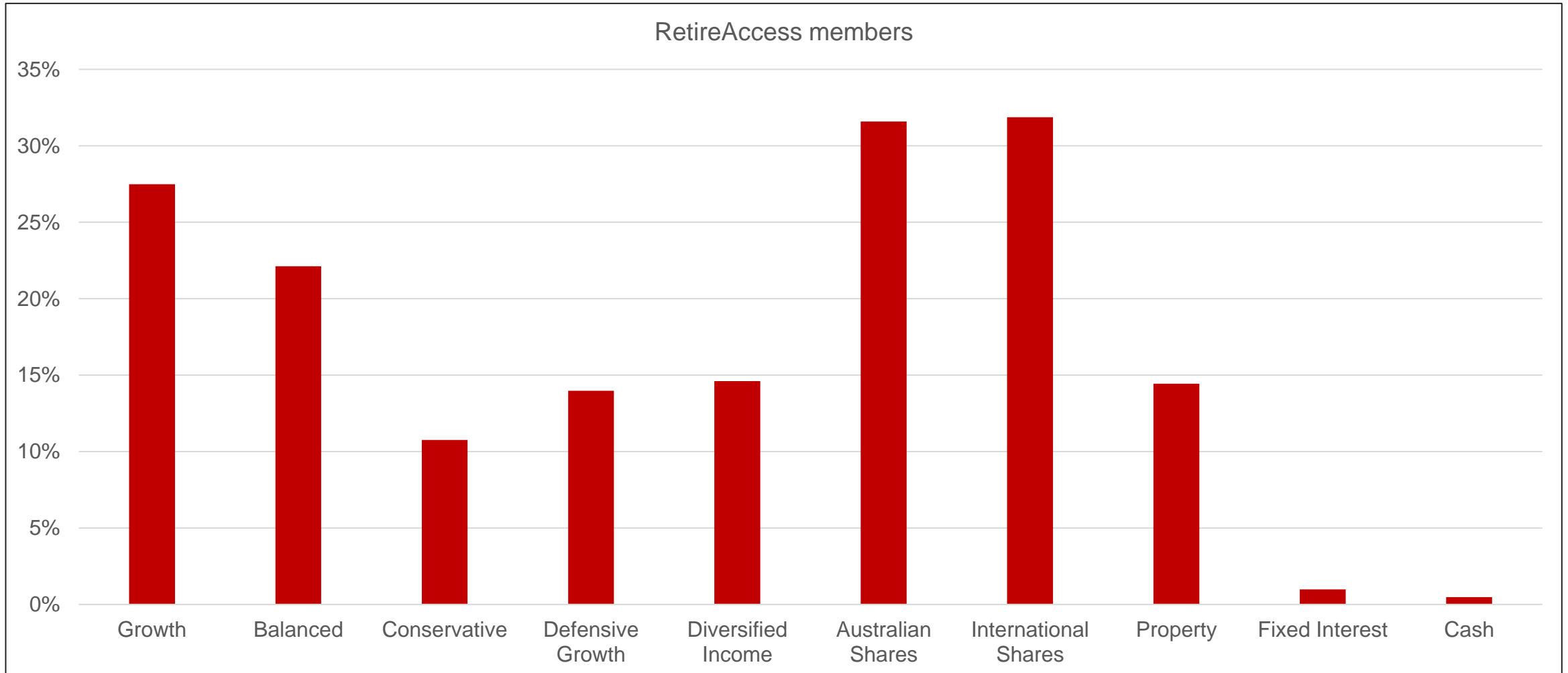


Note: Performance is net of tax and all investment fees  
Past performance is not an indication of future performance

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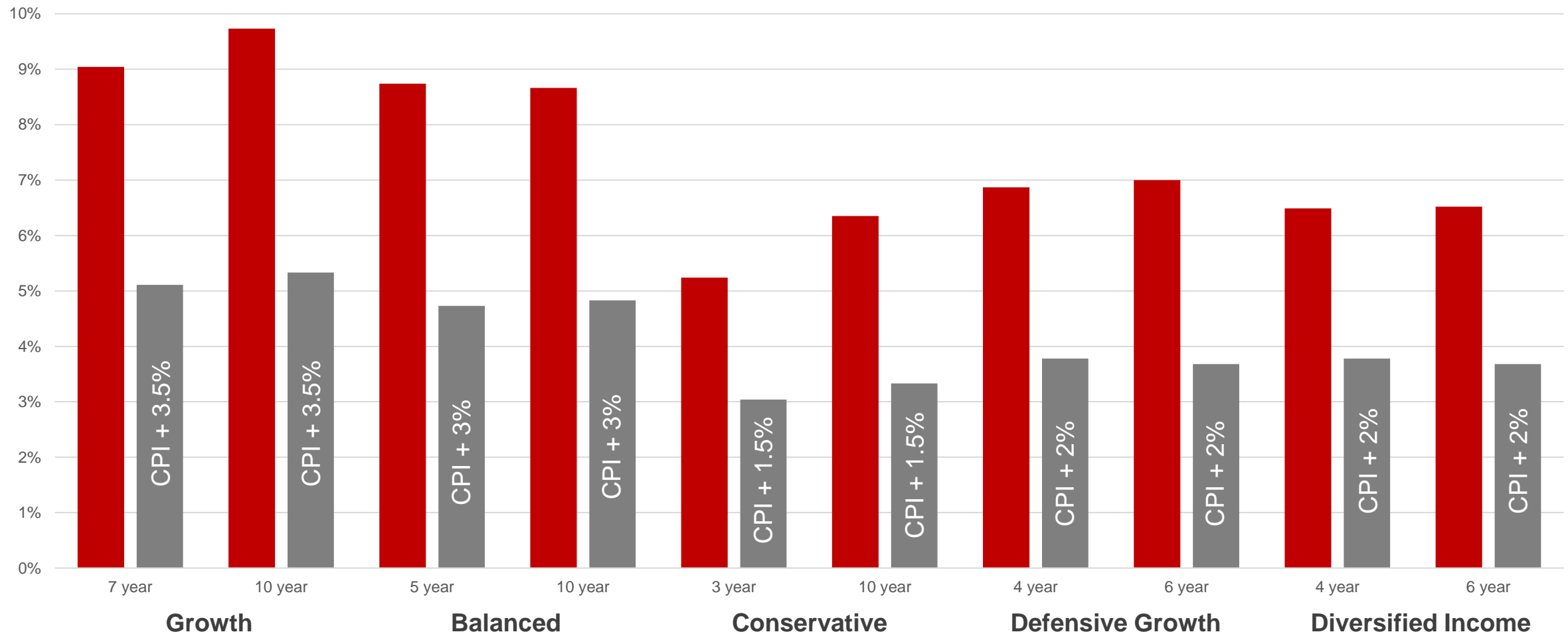
# TelstraSuper's investment option performance for the 2020/2021 Financial Year



Note: Performance is net of all investment fees  
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# TelstraSuper's long term investment performance compared to its long term objectives

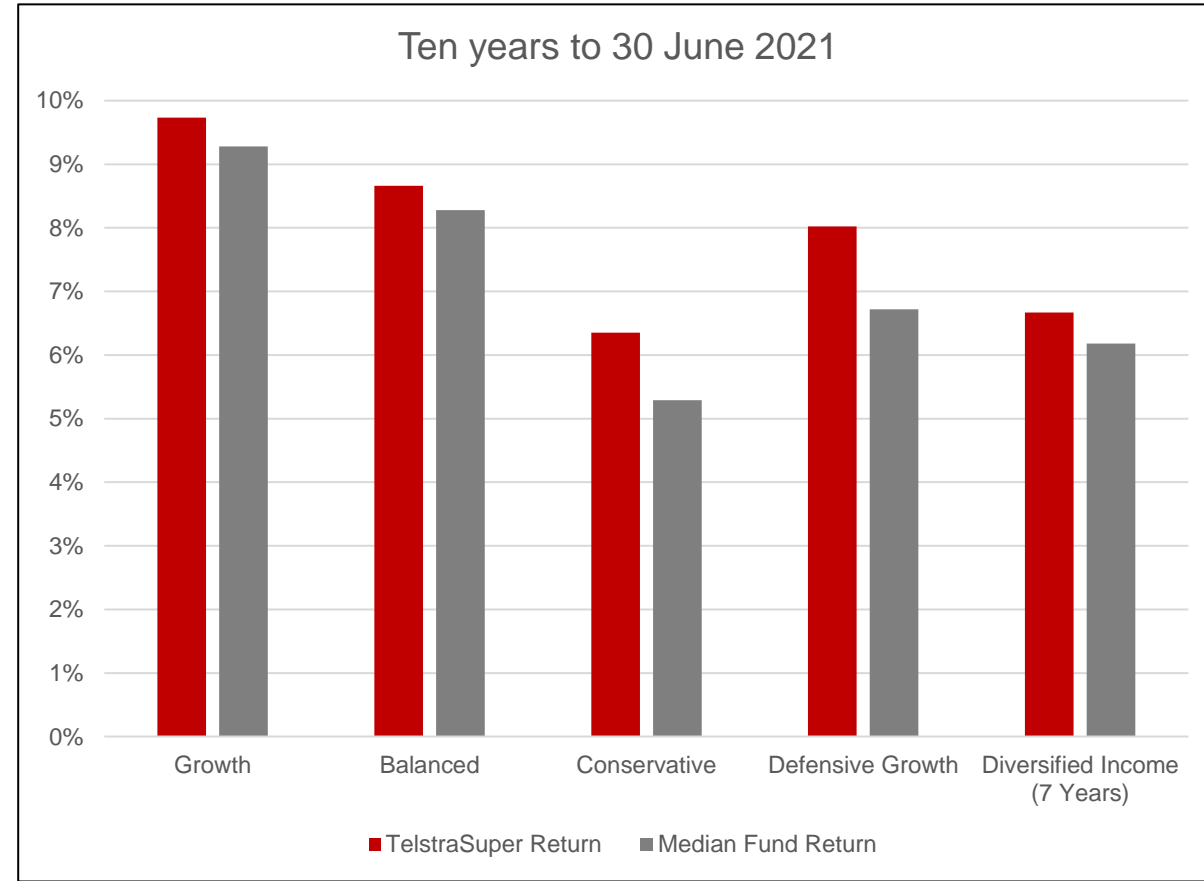
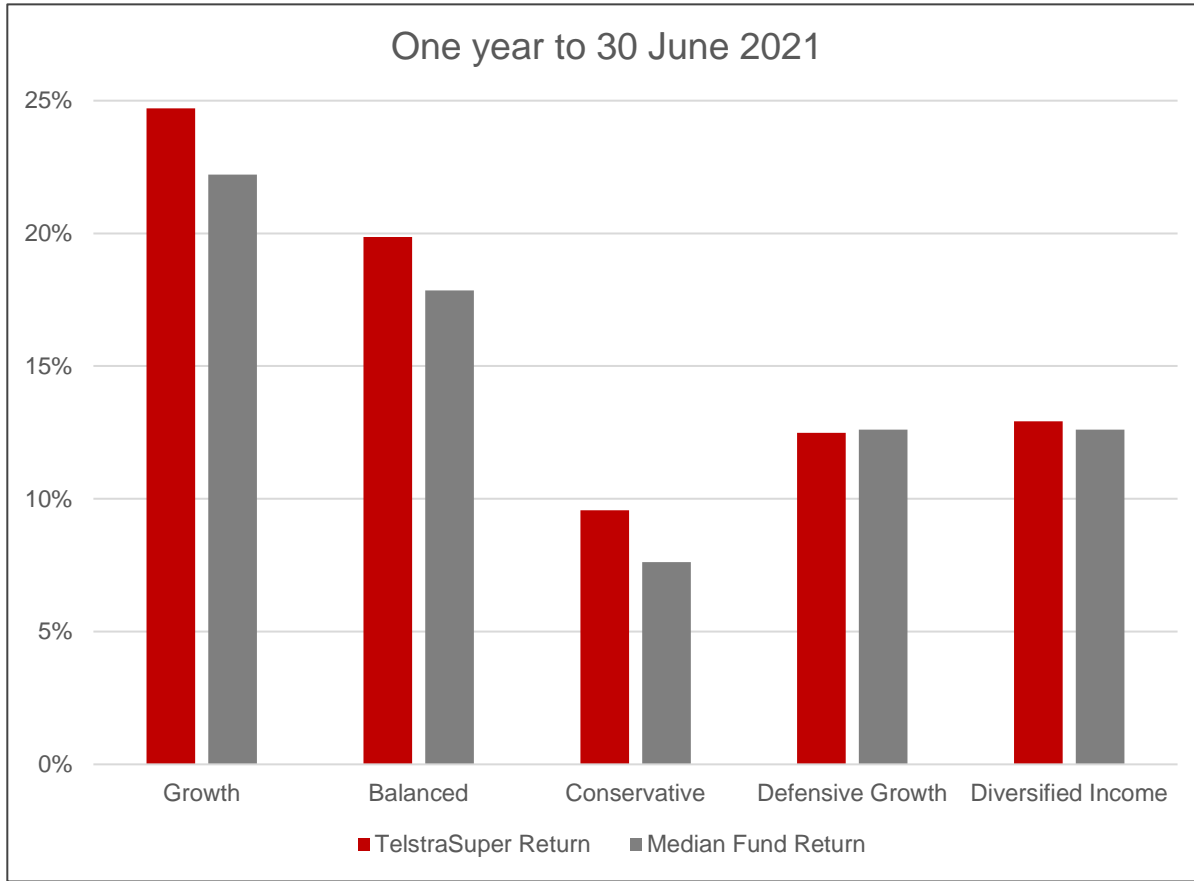


Note: Performance is for TelstraSuper's accumulation options and is net of tax and all investment fees  
 Past performance is not an indication of future performance

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# TelstraSuper's performance compared to the median fund – Accumulation options



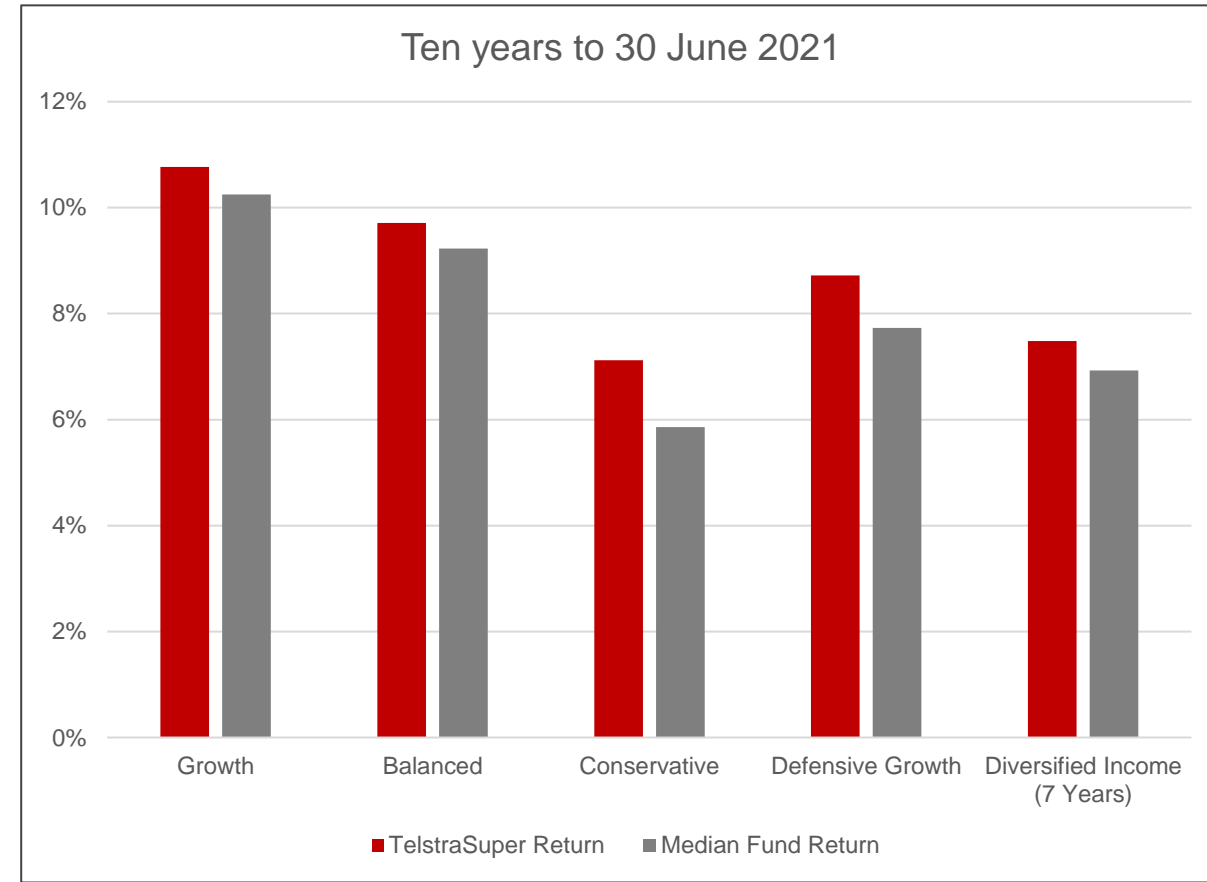
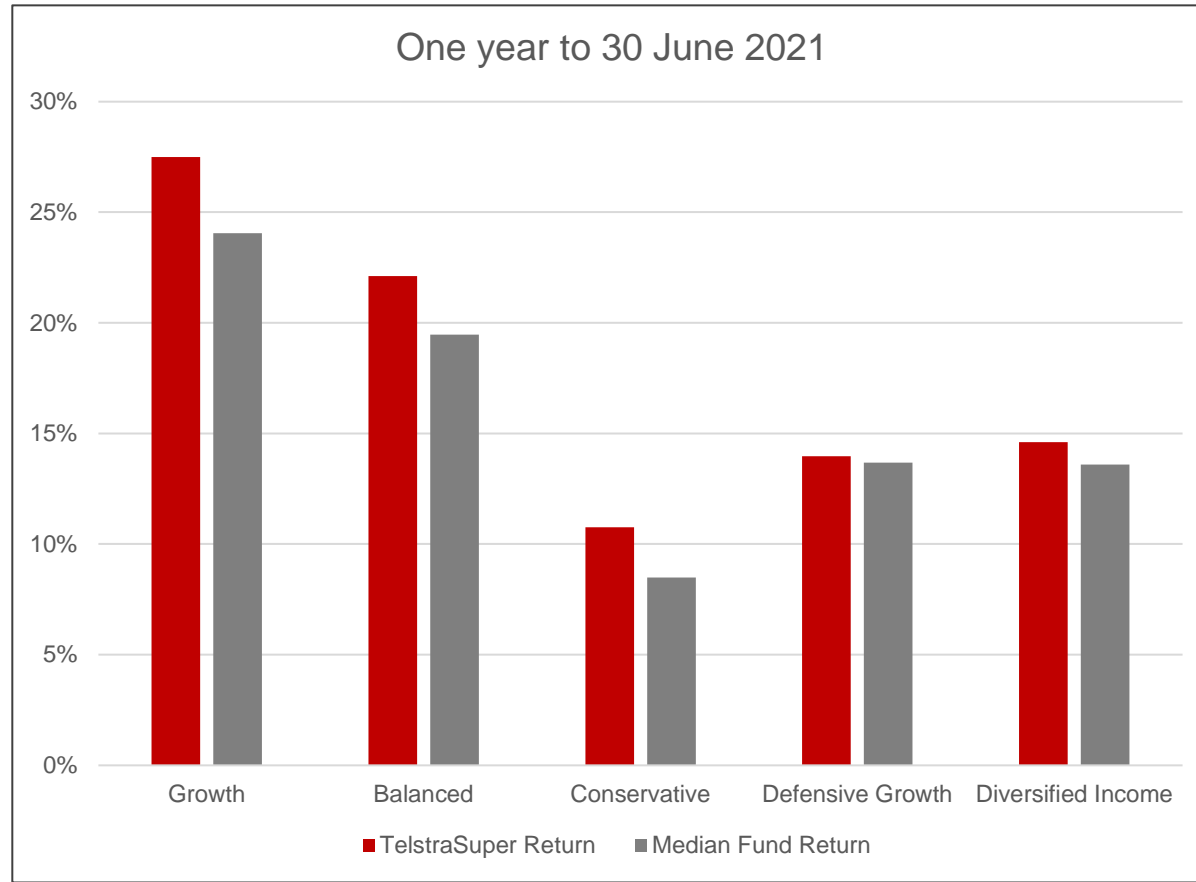
Source: SuperRatings. The Median Fund return reflects the performance of the median fund in the relevant SuperRatings SR50/S25 Fund Crediting Rate Survey as at 30 June 2021.

Performance is net of all investment taxes and fees.

Past performance is not an indication of future performance

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# TelstraSuper's performance compared to the median fund – RetireAccess options



Source: SuperRatings. The Median Fund return reflects the performance of the median fund in the relevant SuperRatings SR50/S25 Fund Crediting Rate Survey as at 30 June 2021.

Performance is net of all investment fees

Past performance is not an indication of future performance

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# What is the Investment Outlook for 2021/2022?



## Reasons for Optimism

- Central banks have demonstrated that they will “do whatever it takes” to prevent a major downturn across economies.
- Interest rates are at record lows.
- Governments are providing explicit and implicit support to economies, wages and jobs.
- COVID-19 vaccination rates are increasing across the world. The vaccinations are proving to be effective.
- Economies are reopening. There is substantial pent-up demand for goods and services.
- Company revenue growth (on global share markets) is strong and profit margins are high.
- Employment has bounced back in Australia, the US and elsewhere.
- Technology continues to advance at an impressive pace.

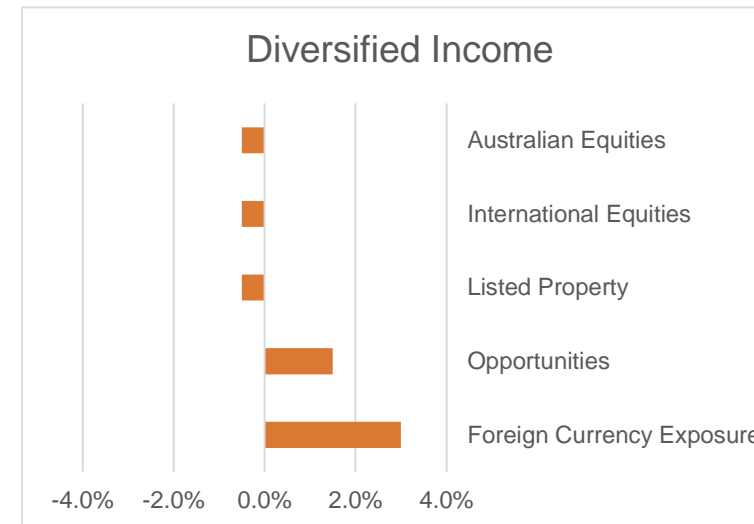
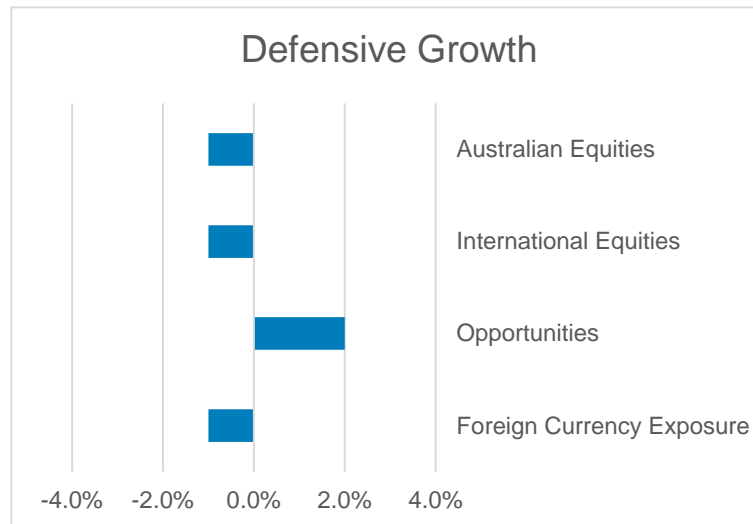
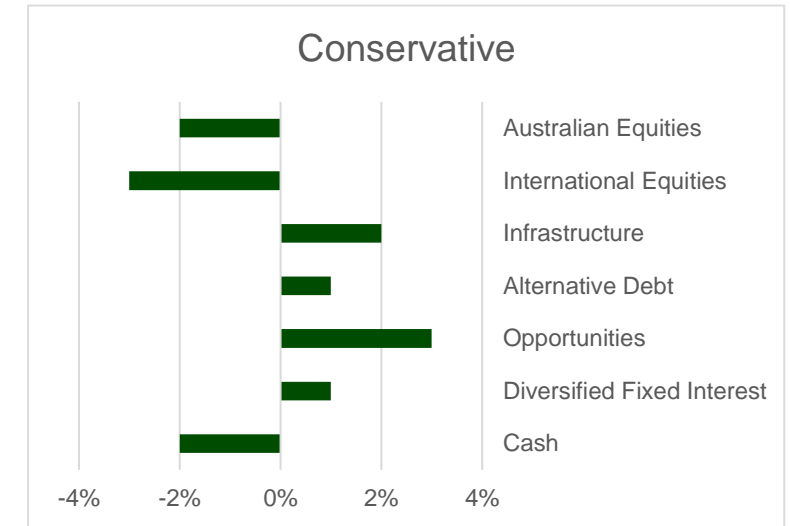
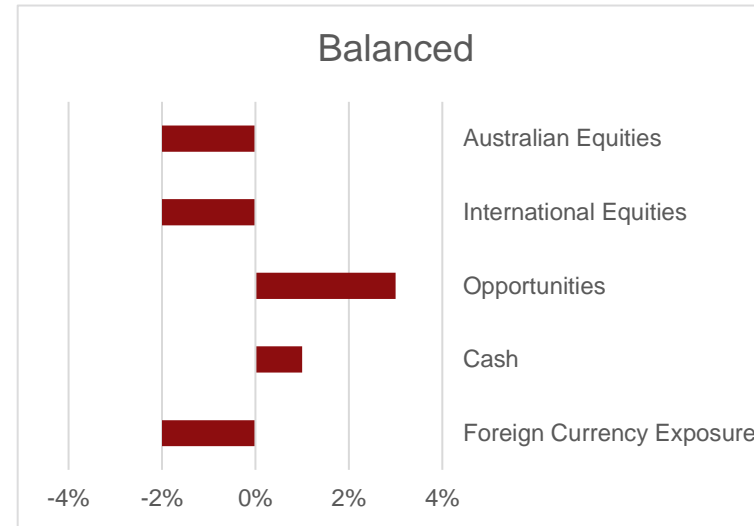
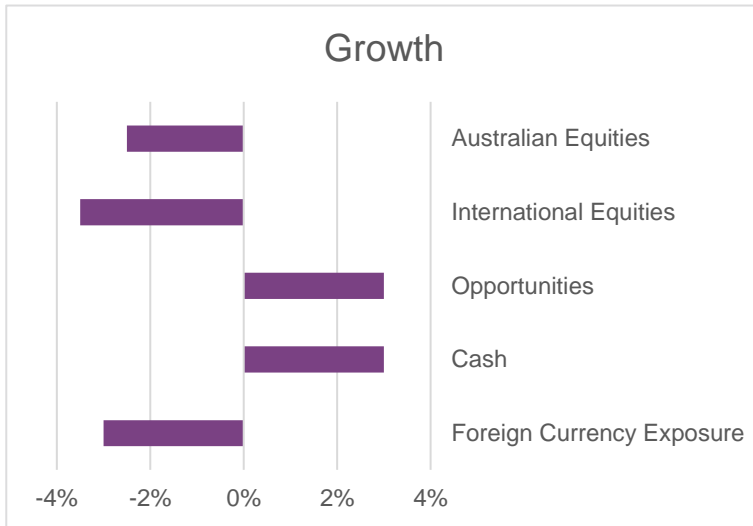
# What is the Investment Outlook for 2021/2022?



## Reasons for Caution

- COVID-19 is not yet under control. There is a possibility that vaccine-resistant mutations can emerge.
- Inflation is emerging and may accelerate. Higher inflation may give rise to higher interest rates.
- Geopolitical tensions are high, especially between China and the West.
- Asset prices have surged and are much higher than before the pandemic.
- The economic cycle may reach its peak more quickly than usual.
- Global government debt is at unprecedented levels.

# Recent changes to Strategic Asset Allocations





# Current Portfolio Positioning

Overall, we are cautiously optimistic about medium-term returns, so our portfolios are currently positioned as follows:

- **Moderately overweight** - Australian Shares and International Shares
- **Slightly overweight** - Unlisted Property
- **Significantly underweight** - Fixed Interest, **moderately overweight** Cash (except for the Growth option)
- **Moderately underweight** - Foreign Currency

# Deep Dive into the International Equities Asset Class

TelstraSuper's largest asset class:

**\$6.75 Billion as at 30 June 2021**



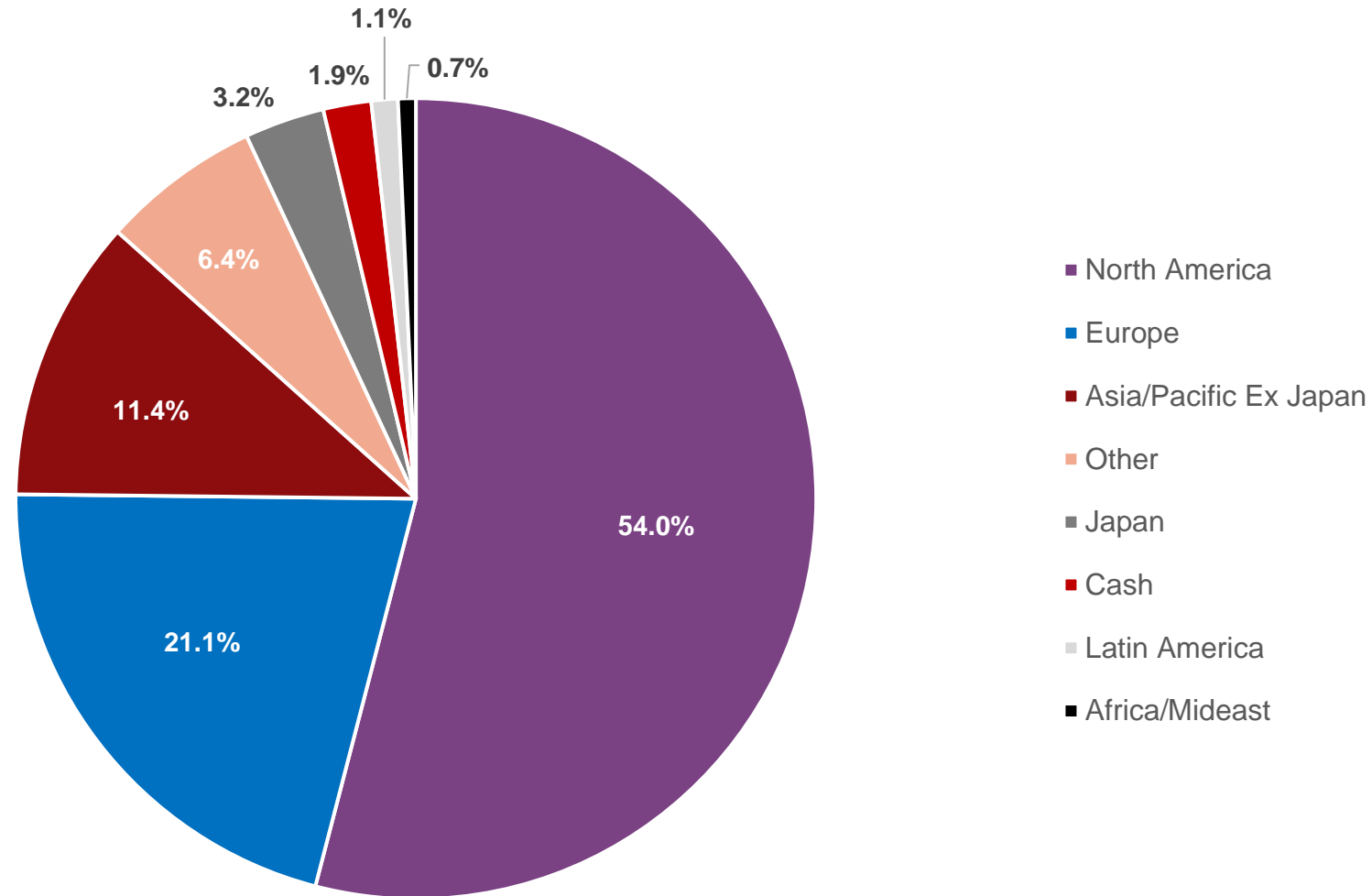


# TelstraSuper's international equities investment managers



<b>State Street Global Advisors</b>	<b>MFS</b>	<b>Bell Asset Management</b>	<b>Sanders Capital</b>	<b>Artisan</b>
Passive Developed Markets	Core Portfolio with emphasis on Quality	Core Developed Market Portfolio	“Value” investment style	“Growth” investment style
<b>Pyrford</b>	<b>Baillie Gifford</b>	<b>Schroders</b>	<b>TT International</b>	
Specialist “Defensive” Manager	“Long term” manager, focused on technology and disruption	Specialist Emerging Market Manager	Specialist Emerging Market Manager	

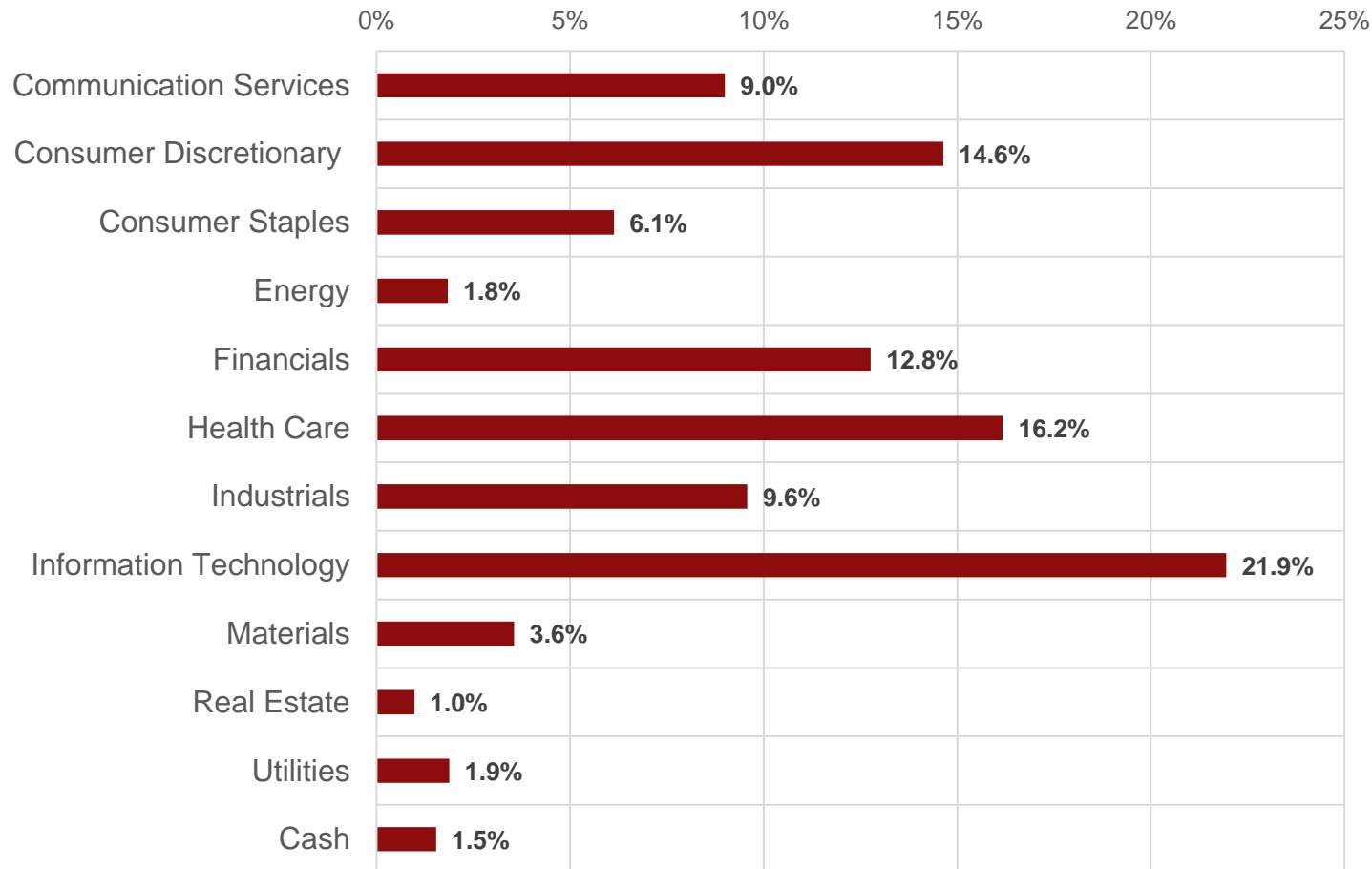
# TelstraSuper's international equity regional exposures



Regional exposures for TelstraSuper's International Shares Option as at 30 June 2021

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# TelstraSuper's international equity industry exposures



Industry Exposures for TelstraSuper's International Shares Option as at 30 June 2021

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# TelstraSuper's top 25 international equity holdings in the international shares option



Microsoft Corporation	2.4%
Apple Inc.	1.5%
Amazon.com, Inc.	1.5%
Alphabet Inc. Class A	1.3%
Visa Inc. Class A	1.2%
Roche Holding Ltd	1.2%
Samsung Electronics Co., Ltd.	1.2%
Facebook, Inc. Class A	1.0%
UnitedHealth Group Incorporated	1.0%
Alphabet Inc. Class C	1.0%
Techtronic Industries Co., Ltd.	0.9%
Medtronic Plc	0.9%
Tencent Holdings Ltd.	0.9%

Boston Scientific Corporation	0.8%
Comcast Corporation Class A	0.8%
Taiwan Semiconductor Manufacturing Co., Ltd.	0.8%
Thermo Fisher Scientific Inc.	0.8%
Nestle S.A.	0.8%
LVMH Moet Hennessy Louis Vuitton SE	0.7%
Taiwan Semiconductor Manufacturing Co., Ltd.	0.7%
Accenture Plc Class A	0.6%
Advanced Micro Devices, Inc.	0.6%
ASML Holding NV	0.6%
Reckitt Benckiser Group plc	0.6%
Walt Disney Company	0.6%

Total international share holdings: 1,657

# Happy to answer your questions.



**1300 033 166**

8:30am - 5:30pm (Melbourne time) Monday to Friday



**[talkingsense@telstrasuper.com.au](mailto:talkingsense@telstrasuper.com.au)**



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**As a leading profit-to-member fund, TelstraSuper is committed to helping our members build a financially secure future.  
As a current TelstraSuper member, you can also refer friends and family members to join TelstraSuper.**