

# Investment Update 2020



Prepared by Telstra Super Pty Ltd, ABN 86 007 422 522, AFS Licence No. 236709, the trustee of TelstraSuper.



## Important Notice

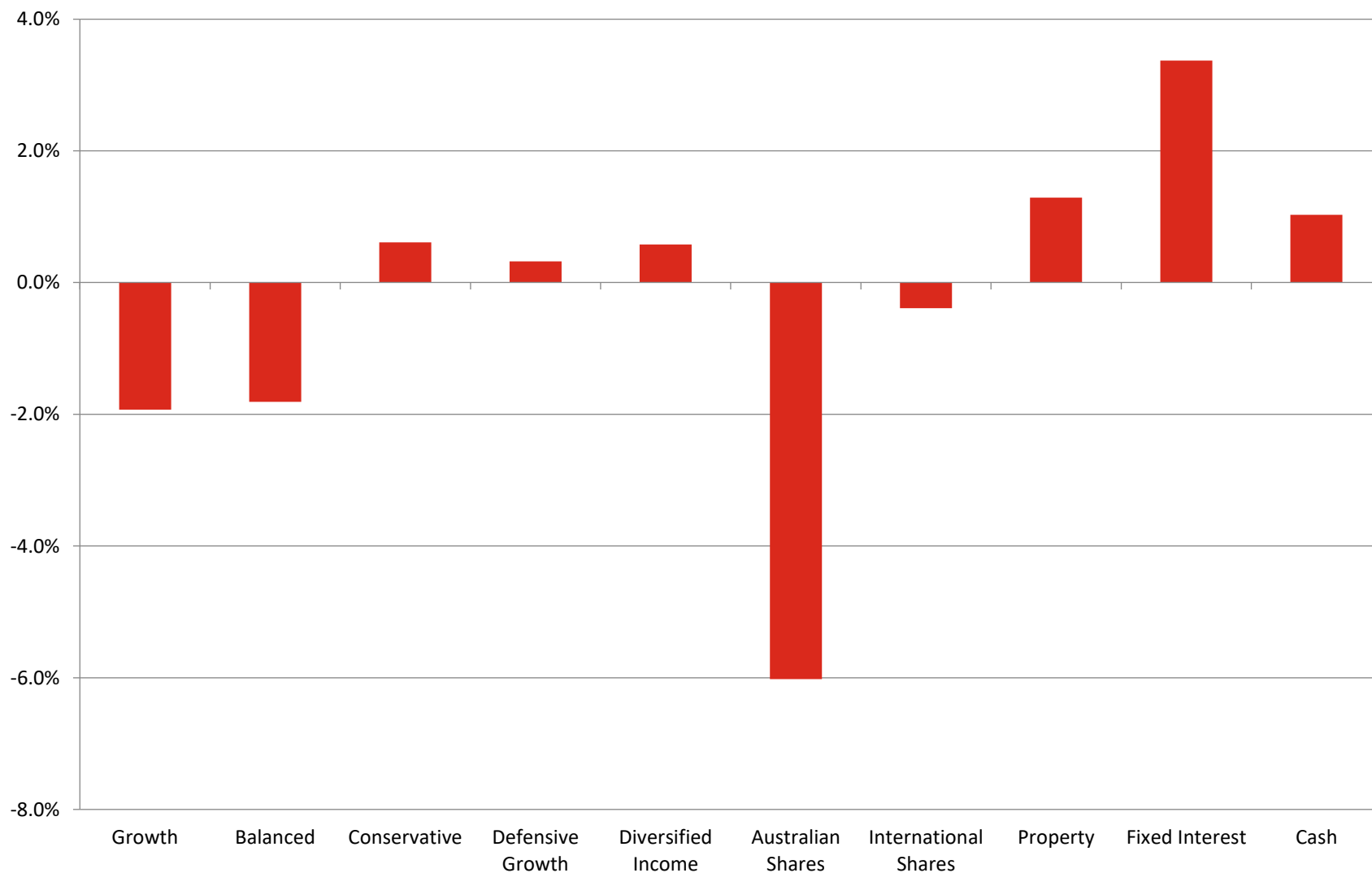
Any general advice has been prepared without taking into account your objectives, financial situation and needs. Before you act on any general advice, you should consider whether it is appropriate having regard to your individual circumstances.

Before making any investment decision, you would should obtain and read the relevant product disclosure which is available on the Website at [www.telstrasuper.com.au](http://www.telstrasuper.com.au) or by calling 1300 033 166 between 8.30am and 5.30pm (AEST) Monday to Friday.

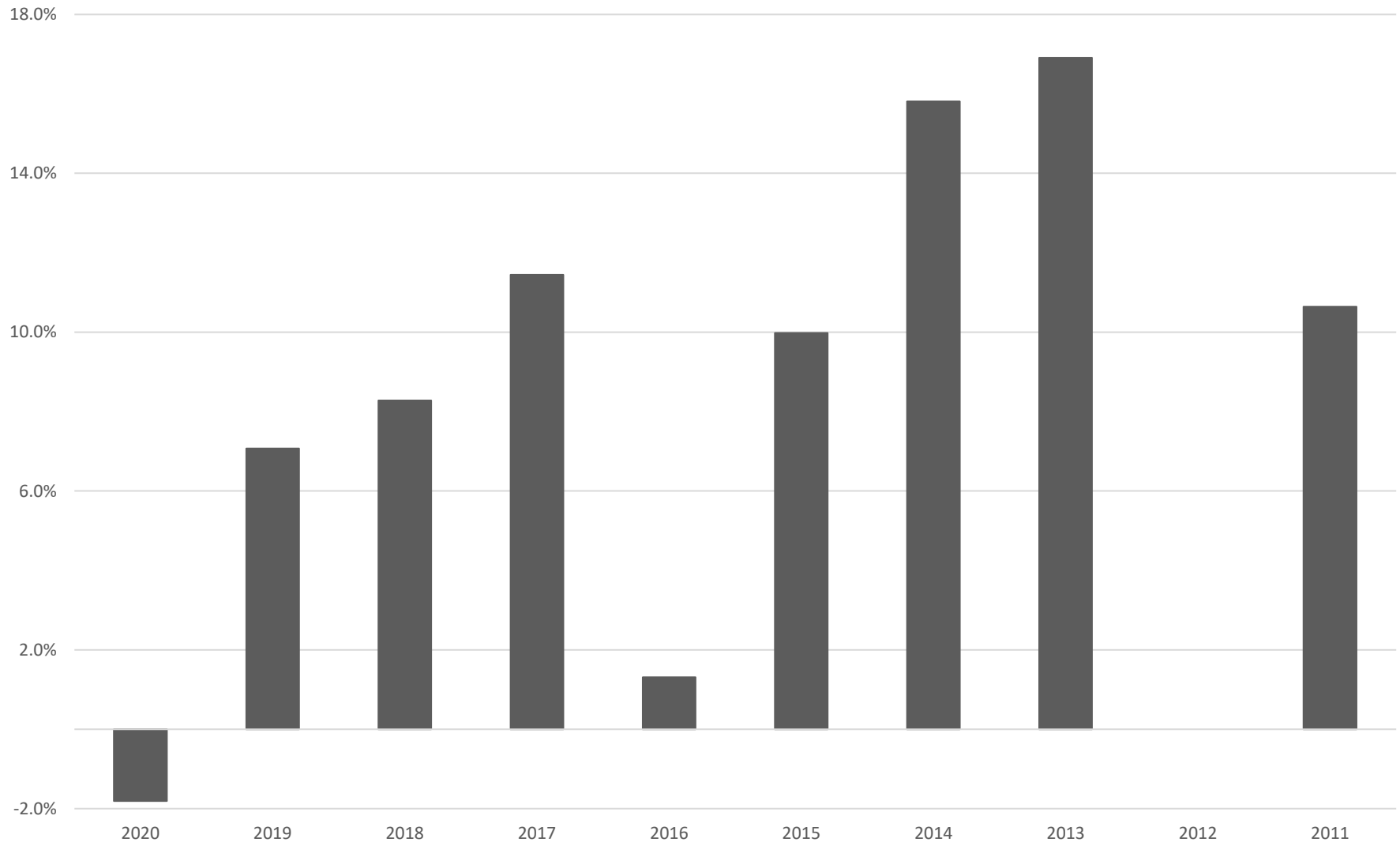
Past performance is not an indication of future performance.

# TelstraSuper Investment Option Returns

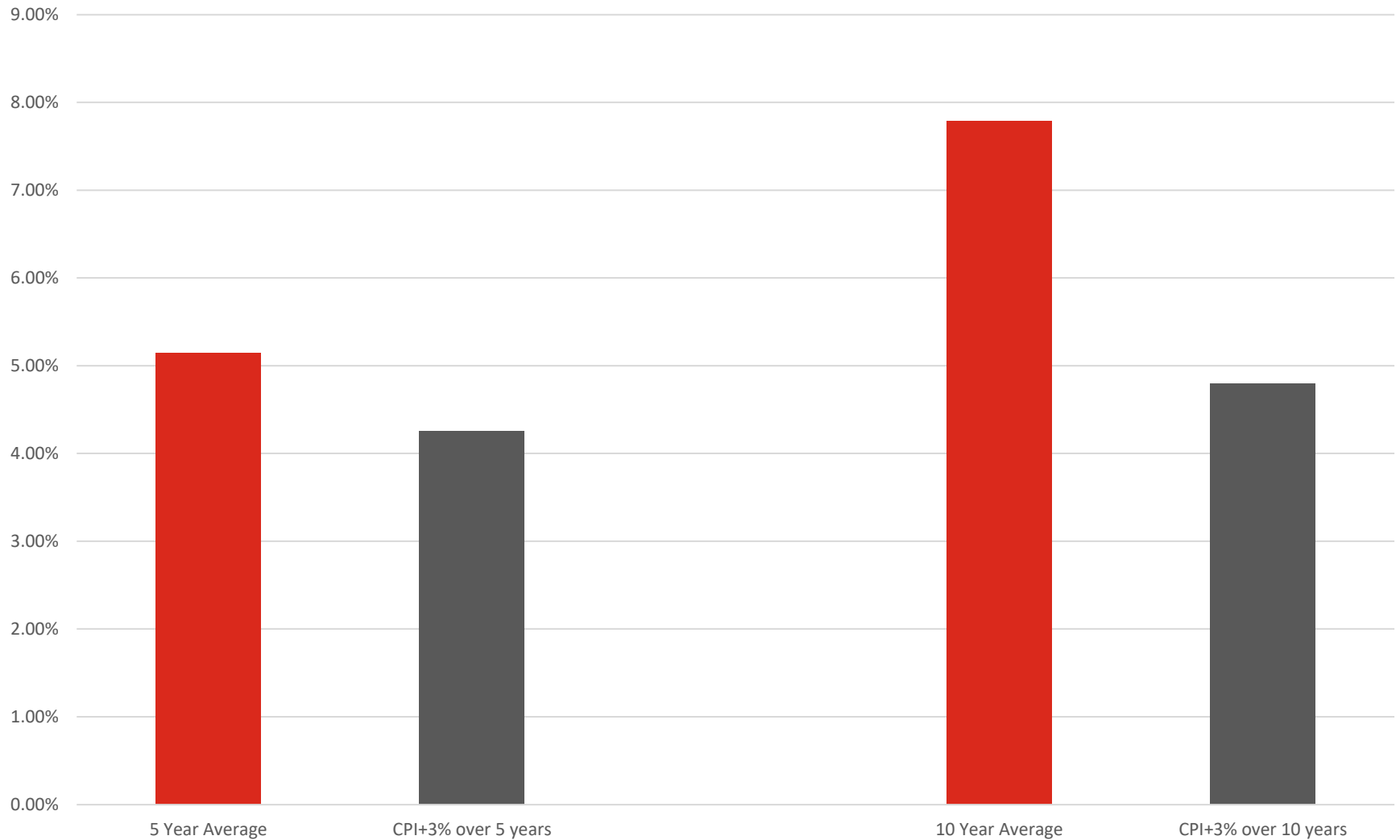
## One year to 30 June 2020



# Balanced option returns over the last 10 years

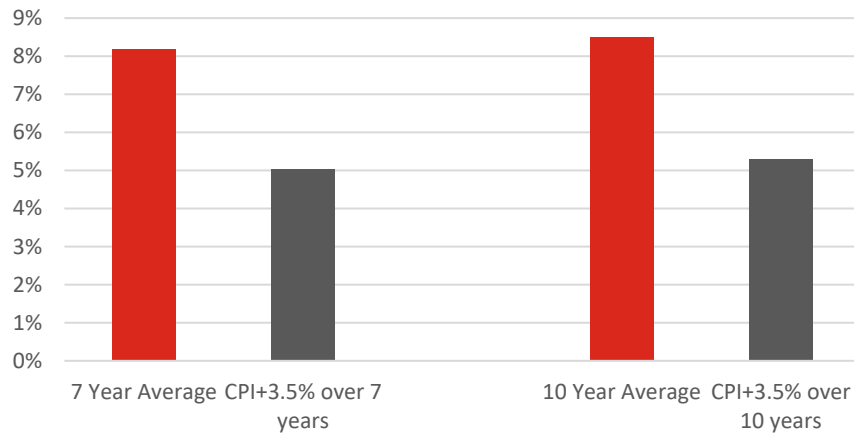


# Balanced option returns vs objectives

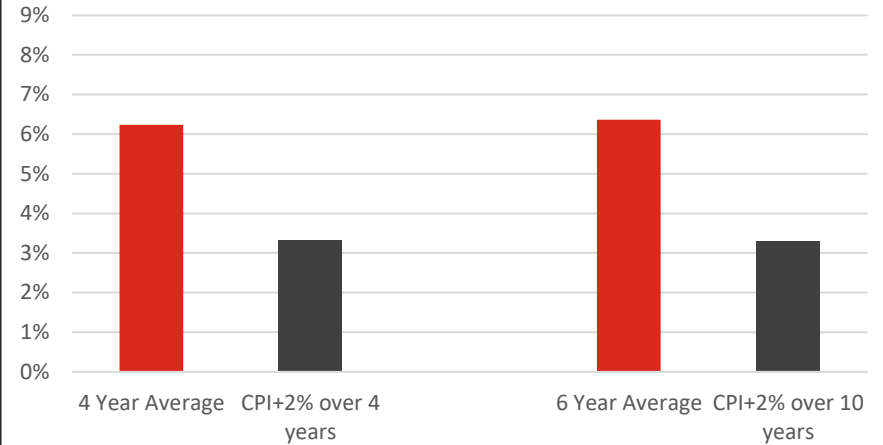


# Other option returns vs objectives

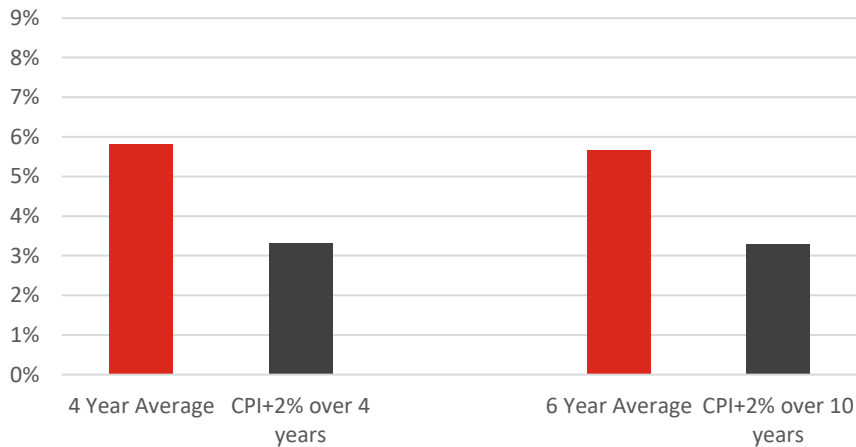
## Growth



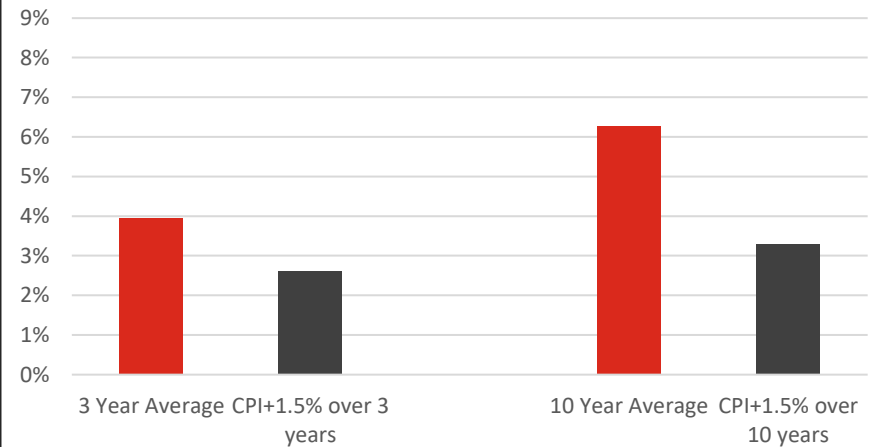
## Defensive Growth



## Diversified Income



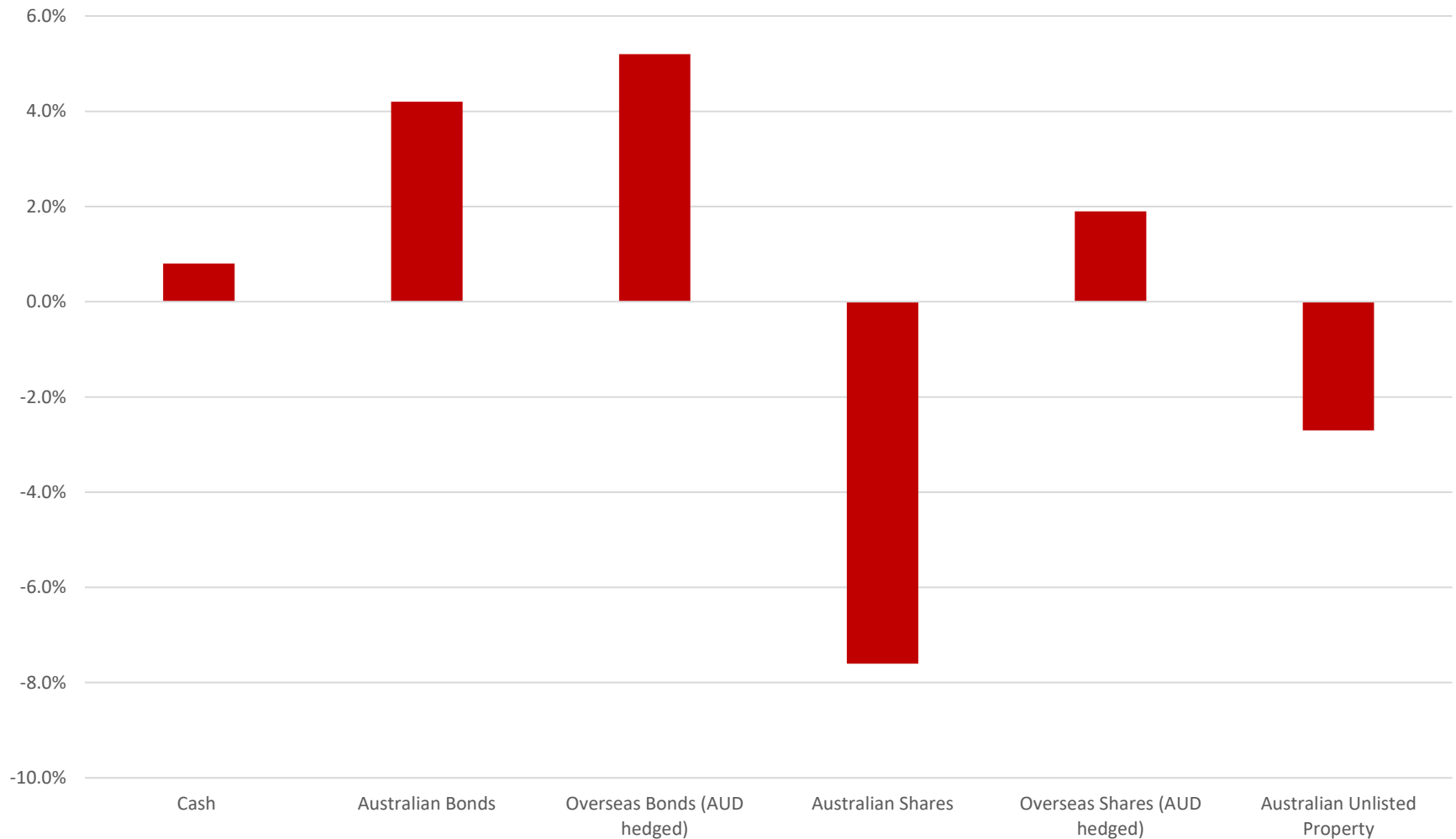
## Conservative



# A remarkable fall ..... and bounce back



# Performance of key asset classes for the year to 30 June 2020





# COVID-19

- COVID-19 has caused substantial economic disruption
- The impact has been uneven across different sectors
- It is difficult to find a balance between re-opening economies and containing the virus spread
- The scale and pace of economic stimulus (by Governments and Central banks) has been unprecedented
- This stimulus has been like a shot of adrenaline for investment markets
- Investment markets are implying that a vaccine will be available soon

## Reasons for optimism

- Interest rates are at record lows
- Governments are providing explicit support through wage subsidies and other programs
- Governments are likely to provide implicit support through major infrastructure projects
- Central banks will “do whatever it takes” to prevent a major downturn – e.g. print money, support asset prices
- There are more than 100 major vaccine research projects underway
- Inflation appears to be under control
- Certain industries have benefited from the COVID-19 pandemic

## Reasons for caution

- COVID-19 is not yet under control:
  - Multiple second waves, following re-opening
  - Still growing in developing nations
- A vaccine won't solve things overnight
- Unemployment is likely to remain elevated for quite some time
- Consumers likely to remain cautious, especially once government support programs cease
- Government debt and “money printing” is rising at an unprecedented pace
- US and China tensions have evolved into a tech “cold war”
- Political tension, polarisation and inequality
- Many asset prices are higher now than before COVID-19, and are “priced for perfection”


## TelstraSuper's positioning

- We are the custodians of an important part of your financial future
- We believe that it is prudent to be somewhat cautious in the current environment, but to retain a meaningful exposure to growth assets
- We have reduced exposure to equities.
- We also have lower than usual exposure to fixed interest
- We have reduced our exposure to retail property and have plans to reduce exposure to office property
- We will continue to investment actively and opportunistically

# Questions



As a leading profit-to-member fund, TelstraSuper is committed helping our members build a financially secure future.

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

As a current TelstraSuper member, you are able to refer eligible family members to join TelstraSuper