Investment Guide

TelstraSuper

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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) and is referred to throughout this Product Disclosure Statement as “the Trustee”, “our”, “we” or “us”.

TelstraSuper MySuper authorisation number 85502108833326.

About this Guide

This Guide provides you with information about TelstraSuper's investment options, including TelstraSuper's MySuper Lifecycle, the different types of asset classes and member investment choice and also explains how diversification helps to reduce investment risk.

For information about the cost of managing your investment refer to the 'Fees and other costs' section of the **Additional Information About Your Super guide.**

When reading this Guide, keep in mind how you invest your super depends upon your attitude to risk, the number of years you have until retirement and your own financial plans.

As you move through different stages in your life, your financial needs will change. So too will your appetite for return and your tolerance for risk.

The information in this document forms part of the product disclosure statement (PDS) for **TelstraSuper Corporate Plus** dated 4 April 2024 and **TelstraSuper Personal Plus**, dated 4 April 2024 and also applies to defined benefit members with a Voluntary Accumulation Account or a Productivity Account. You should also refer to the relevant target market determinations (TMDs) available at telstrasuper.com.au/pds

You should read the information in those documents and this document before making a decision.

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Types of assets

Investing is not as complex as it may seem, especially once you understand what makes up an investment and a few simple investment principles.

What makes up an investment?

There are two major types of assets that make up the building blocks of an investment: growth assets and defensive assets.

Growth and defensive assets have different levels of risk and expected return.

To help you invest in the assets that best suit you, we offer a range of investment options that invest in both growth and defensive assets in varying percentages. Some assets have characteristics of both growth and defensive assets. We call these 'mixed assets'.

Growth assets

Growth assets include Shares (private and public) and Listed Property Trusts. These two particular assets generally earn income from dividends and rent and may increase in price from capital gains. Capital gain is the rise in an asset's price.

However, it is important to know that the total value of growth assets can be volatile, that is, they can rise and fall, particularly in the short-term.

For example, you may have noticed how the share price for a company can vary each day.

Shares (equities)

Shares represent ownership in a company and are often referred to in investment terms as 'equities'. Potential returns from shares are typically earned from both dividends and capital appreciation. They can generally be bought and sold on the stock exchange and offer the opportunity for high returns, but may also be subject to a higher risk of volatility within those returns.

Listed Property Trusts (Real Estate Investment Trusts)

Listed Property Trusts are investments in property-related trusts that are listed on a stock exchange. These trusts are involved in the ownership, development, financing and/or management of residential, commercial, industrial and retail properties. Returns are derived from distributions paid by the securities as well as changes in the market value of these securities.

Private Markets

Private Market investments are predominantly invested in unlisted assets. The investment may occur through, for example, a trust, a limited partnership or limited liability company which then invests in underlying businesses. The money invested in the underlying businesses is generally used to expand or develop the business or facilitate founders selling the business to new shareholders. Private Markets present opportunities to invest in assets that are not listed on a stock exchange. A return on your investment is received when the business pays a dividend or a Private Markets manager sells or revalues an asset they have invested in using your capital.

Defensive assets

Defensive assets include Cash and Diversified Fixed Interest. These two particular assets generally earn returns primarily from interest. This means that these types of assets usually provide lower risk due to fixed repayments, however, returns are also likely to be lower over the long-term. For example, when you put some money aside in a term deposit with a bank you may not be getting the highest interest rates available, but you can confidently expect that after a fixed period the bank will pay you the pre-determined interest rate and return your investment amount to you.

Cash

Cash includes investments in bank bills, commercial paper, negotiable certificates of deposit, bank deposits, commercial promissory notes and other money market instruments commonly for short periods of time with respect to other types of investments. This investment class is traditionally the most stable (but could lose value after allowing for the effects of inflation) because the returns are the most predictable due to the nature of the issuers and the short duration of the securities but it generally earns a lower rate of return over the long term.

Defensive Alternatives

Defensive Alternatives are investments that are expected to provide higher returns than cash over the medium term, while also providing diversification from shares and/or fixed interest securities. They can include both listed and unlisted investments.

Diversified Fixed Interest

Diversified Fixed Interest are bonds and other debt securities issued by a government or corporation, where the investor lends money to the issuer who promises to make regular interest payments with full repayment on an agreed date in the future. Debt securities in this asset class are typically of investment grade quality and the lending timeframe can vary from the short-term up to multiple years. The Diversified Fixed Interest asset class includes exposures to both fixed rate securities, where the value of repayments is fixed at the time of issue, and floating rate securities where the repayments vary in response to short term interest rate changes. Diversified Fixed Interest returns can deliver both positive and negative returns. In particular rising interest rates will generally cause the market value of Diversified Fixed Interest investments to fall.

Mixed assets

Infrastructure, Unlisted Property, Alternative Debt, Opportunities and Hedge Funds possess characteristics of both defensive and growth assets.

Infrastructure

Infrastructure assets consist of a broad range of assets including toll roads, ports, gas pipelines, airports, utility providers and more. Infrastructure assets are typically monopolistic in nature with high barriers to entry and steady reliable cashflows. Such cashflows are usually underpinned by a contractual or regulatory right to revenue. Infrastructure investments can be made directly, through unlisted funds or through listed infrastructure companies. The sources of return are the earnings of the assets as well as increases (or decreases) in capital value over time. The level of risk of these investments varies depending on the nature of the asset and the regulatory regime under which they operate.

Unlisted Property

Unlisted Property is investments in residential, commercial, industrial and retail real estate. These investments can also include equity or loans secured by property assets. Property investments can provide returns in two ways:

- through income from rental or income payments, and
- by increases (or decreases) in the capital value of investments over time.

Unlisted Property can be held directly or through unlisted property trusts.

Alternative Debt

Alternative Debt includes a range of credit securities such as loans to companies, mortgages, securitised debt and high yield debt. Typically, these securities are either not rated by credit rating agencies or have a lower rating than assets held in the “Diversified Fixed Interest” asset class. Alternative Debt is typically riskier and less liquid than Diversified Fixed Interest or Cash but offers higher expected returns over the longer term.

Opportunities

Investment in Opportunities provides the ability to capitalise on market opportunities as they arise. These investments are not directly aligned with one specific asset class but provide TelstraSuper with the flexibility to improve returns by exploiting unique or unusual opportunities to add value.

Hedge Funds

Hedge Funds are managed funds that trade securities with the aim of generating returns well in excess of cash over the long-term, but with less volatility than would be expected from shares. Hedge Funds invest across a broad mix of investment strategies where the sources of returns are diversified.

Foreign Currency Exposure

TelstraSuper manages foreign currency risk at the investment option level. The foreign currency exposure varies for each investment option as specified in investment mix and asset range charts contained on each investment option page.

Asset class volatility

The general nature of investment markets causes investment returns to fluctuate over time. Influences such as world politics, demand and both domestic and global economies all influence level of investment returns.

Due to these factors some asset classes tend to fluctuate to a higher degree and more frequently than others.

For example, concern over sovereign debt has the potential to impact Fixed Interest markets while economic growth in emerging markets may have a flow-on effect to local share markets.

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Investment options

As a TelstraSuper member you can choose from a broad range of investment options, covering all major asset classes, to suit the conservative through to the aggressive investor.

You can choose to invest in the following investment options: High Growth, Growth, Balanced, Moderate, Conservative, Australian Shares, International Shares, Property, Diversified Bonds and Credit, Cash or a combination of options. We also offer an investment option called Direct Access which provides access to term deposits and S&P/ASX300 shares and other listed securities such as Exchange Traded Funds (ETFs), approved by us. For more information regarding the Direct Access investment option, refer to the **Direct Access Guide** available at **telstrasuper.com.au/pds**

If you don't make an investment choice when you join TelstraSuper, you'll automatically be defaulted into TelstraSuper's MySuper Lifecycle that consists of three age-based investment stages: MySuper Growth for members aged under 50, MySuper Balanced for members aged 50 to under 65, MySuper Moderate for members aged 65 to under 70 and MySuper Conservative for members aged 70 and over.

Investment option risk measures

All investments carry some form of risk. Usually, higher risk investments have higher expected returns, especially over long term periods. Higher risk investments also tend to have more variable returns from year to year, and greater likelihood of achieving negative returns. It's important that you choose a level of risk that you are comfortable with and is consistent with the returns you're seeking to achieve.

Investment risk is multi-dimensional and there is no single measure that fully describes or captures all elements of investment risk. Therefore, TelstraSuper uses four main measures of risk when constructing its investment options. These are:

1) The expected frequency of negative annual returns i.e. how often do we expect annual returns to be negative?
2) The expected severity of negative returns when they occur i.e. how much money would we expect to lose in a poor year?
3) The expected volatility of investment returns i.e. how variable do we expect returns to be from year to year?
4) The risk of failing to maintain purchasing power over long-term periods i.e. do we expect that returns will keep up with (or preferably beat) inflation over long term periods such as ten or more years?

The level of risk for each measure differs across each of TelstraSuper's investment options. This allows members to choose an option that best suits their preferences and circumstances.

There is a standardised method for disclosing investment risk that was developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC) in July 2011. TelstraSuper makes risk disclosures in accordance with the method, which is known as the "Standard Risk Measure" (SRM).

The SRM requires the reporting of risk by 'Risk Bands' and 'Risk Labels'. There are seven risk bands with risk labels ranging from 'Very Low' to 'Very High'. The risk bands indicate the estimated number of negative annual returns that can be expected to occur in a 20 year period (see table below). The greater the number of expected negative annual returns, the riskier the investment option.

Asset ranges

Many investment options invest in different asset classes within defined ranges. We use the asset ranges to take advantage of market opportunities and vary the levels of investment in each asset class from time to time. The asset ranges are displayed in brackets next to the target investment mix figures for these options on pages 7 to 19. Varying the investment mix within these ranges may also cause the split between growth and defensive assets to vary from the target investment mix from time to time.

Changes to our investment options

We monitor our investment options and investment managers on a regular basis. We may close or change any investment option at any time. You'll be given notice of any such changes, should they occur.

The following pages outline each option to help you think about your future and the way your money can grow over time.

ASFA/FSC Standard Risk Measure (SRM) categories

Risk Label	Risk Band	Estimated number of negative annual returns over any 20 year period
Very Low	1	Less than 0.5
Low	2	0.5 to less than 1
Low to Medium	3	1 to less than 2
Medium	4	2 to less than 3
Medium to High	5	3 to less than 4
High	6	4 to less than 6
Very High	7	6 or greater

The SRM categories detailed above are applied to each investment option in this guide.

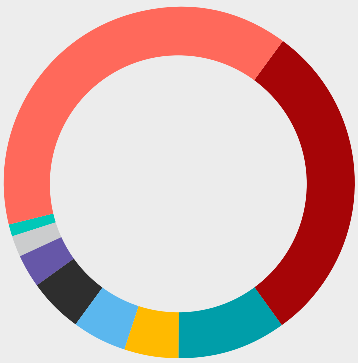
High Growth

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

Who should invest?
This option suits those who are prepared to accept high levels of investment market fluctuations in exchange for potentially higher returns, particularly over the short term. It is also suited for members who want part of their superannuation to be exposed to technology and innovation investments, alongside other industries. Compared to the other TelstraSuper investment options, this option involves a higher level of risk to target greater returns over the longer term. As a result, the value of your investment may rise or fall in the short term.

Investment strategy
The High Growth option has a strong bias towards higher growth assets, such as Australian and International Shares and Private Markets, with a tilt towards technology and innovation investments as part of the portfolio. It has a small allocation towards defensive assets such as Cash.

Investment mix and asset ranges



- International Shares **39%** (20-70%)
- Australian Shares **30%** (10-60%)
- Private Markets **10%** (0-25%)
- Unlisted Property **5%** (0-20%)
- Infrastructure **5%** (0-20%)
- Opportunities **5%** (0-10%)
- Alternative Debt **3%** (0-20%)
- Listed Property Trusts 2% (0-10%)
- Cash **1%** (0-15%)

Diversified Fixed Interest 0% (0-20%)

Defensive Alternatives 0% (0-10%)

Hedge Funds 0% (0-5%)

Foreign Currency Exposure (20-60%)

Risk characteristics
Consistent with its higher return objective, the High Growth option is expected to have the highest level of short-term investment risk of TelstraSuper's diversified investment options. This option's risk characteristics using TelstraSuper's four measures of investment risk are:

Probability of negative return

Severity of negative return

Expected level of volatility

Risk of not maintaining purchasing power over long-term

The High Growth option's Standard Risk Measure* is for a "high" level of risk expected to generate 4 to less than 6 negative annual returns over any 20 year period.

Return objective
Outperform CPI + 4.0% p.a.

For the purpose of setting and measuring the return objective, a time horizon of 10 years has been used.

Investment timeframe
The recommended investment timeframe for this option is 10 years plus. Members should consider investing in this option for at least a 10 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix†
90.0% growth assets, 10.0% defensive assets.

The aim of this information is to provide members with investment objective and strategy details (including investment mix) that we consider members reasonably need to understand TelstraSuper's investments and reflect the manner in which objectives and strategies have been formulated by the Trustee pursuant to superannuation law and discretionary powers under TelstraSuper's Trust Deed.

*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC).

†The long-term investment mix is used as a strategic guide for investing. The split of defensive and growth assets can vary from time to time as investment in each asset class may vary within the allowable ranges.

Growth option

Objective

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

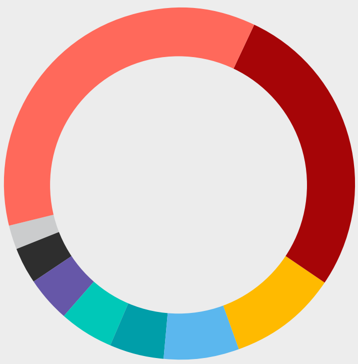
Who should invest?

This option suits those who are seeking growth and are comfortable with high levels of volatility in returns, particularly over the short-term. Compared to the Balanced, Moderate and Conservative investment options, this option involves a higher level of risk to target greater returns over the longer term. As a result, the value of your investment may rise or fall in the short-term.

Investment strategy

The Growth option has a strong bias towards growth assets, such as Australian and International Shares, with a smaller allocation towards defensive assets such as Cash.

Investment mix and asset ranges



- International Shares **36%** (20-60%)
- Australian Shares **27.5%** (10-50%)
- Unlisted Property **10%** (0-25%)
- Infrastructure **7%** (0-15%)
- Private Markets **5%** (0-15%)
- Cash **5%** (0-15%)
- Alternative Debt **4%** (0-20%)
- Opportunities **3.5%** (0-10%)
- Listed Property Trusts **2%** (0-10%)
- Diversified Fixed Interest **0%** (0-20%)
- Defensive Alternatives **0%** (0 - 10%)
- Hedge Funds **0%** (0-5%)
- Foreign Currency Exposure (10-50%)

Risk characteristics

Consistent with its higher return objective, the Growth option is expected to have a higher level of short-term investment risk than the Balanced, Moderate and Conservative investment options. This option's risk characteristics using TelstraSuper's four measures of investment risk are:

Probability of negative return

LOW RISK HIGH RISK

Severity of negative return

LOW RISK HIGH RISK

Expected level of volatility

LOW RISK HIGH RISK

Risk of not maintaining purchasing power over long-term

LOW RISK HIGH RISK

The Growth option's Standard Risk Measure* is for a "high" level of risk expected to generate 4 to less than 6 negative annual returns over any 20 year period.

Return objective

Outperform CPI + 3.5% p.a.

For the purpose of setting and measuring the return objective, a time horizon of 10 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 10 years. Members should consider investing in this option for at least a 7 to 10 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix†

82.8% growth assets, 17.2% defensive assets.

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*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC)

†The long-term investment mix is used as a strategic guide for investing. The split of defensive and growth assets can vary from time to time as investment in each asset class may vary within the allowable ranges.

Balanced option

Objective

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

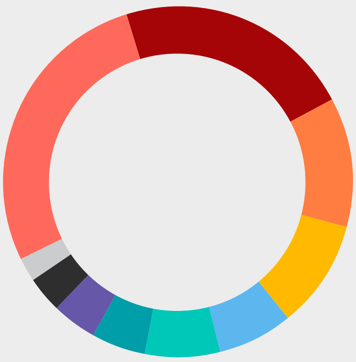
Who should invest?

This option suits those who are seeking growth and are comfortable with volatility of returns, particularly over the short-term.

Investment strategy

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

Investment mix and asset ranges



- International Shares **27.5%** (10-50%)
- Australian Shares **22%** (0-40%)
- Diversified Fixed Interest **12%** (0-40%)
- Unlisted Property **10%** (0-25%)
- Infrastructure **7%** (0-15%)
- Cash **7%** (0-15%)
- Private Markets **5%** (0-15%)
- Alternative Debt **4%** (0-20%)
- Opportunities **3.5%** (0-10%)
- Listed Property Trusts **2%** (0-10%)
- Hedge Funds **0%** (0-5%)
- Defensive Alternatives **0%** (0 - 10%)
- Foreign Currency Exposure (5-45%)

Risk characteristics

The Balanced option is expected to provide lower levels of return and short-term investment risk than the Growth option, but higher levels than the Moderate and Conservative options. This option's risk characteristics using TelstraSuper's four measures of investment risk are summarised in the diagrams below:

Probability of negative return

Severity of negative return

Expected level of volatility

Risk of not maintaining purchasing power over long-term

The Balanced option's Standard Risk Measure* is for a "high" level of risk expected to generate 4 to less than 6 negative annual returns over any 20 year period.

Return objective

Outperform CPI + 3% p.a.

For the purpose of setting and measuring the return objective, a time horizon of 10 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 10 years. Members should consider investing in this option for at least a 5 to 10 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix†

68.8% growth assets, 31.2% defensive assets.

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†The long-term investment mix is used as a strategic guide for investing. The split of defensive and growth assets can vary from time to time as investment in each asset class may vary within the allowable ranges.

Moderate option

Objective

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

Who should invest?

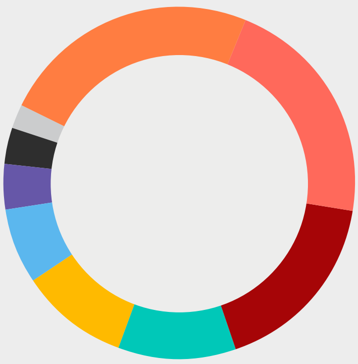
Members who want the potential for moderate investment growth but with greater security than the Balanced or Growth options. This option is designed to give more flexibility for members who might be looking to access their super in the short to medium-term and who want to continue participating in capital growth.

Investment strategy

The Moderate 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.

Investment mix and asset ranges



- Diversified Fixed Interest **24%** (0-50%)
- International Shares **21.5%** (0-40%)
- Australian Shares **17%** (0-35%)
- Cash **11%** (0-25%)
- Unlisted Property **10%** (0-25%)
- Infrastructure **7%** (0-15%)
- Alternative Debt **4%** (0-20%)
- Opportunities **3.5%** (0-10%)
- Listed Property Trusts **2%** (0-10%)

Private Markets **0%** (0-10%)

Defensive Alternatives **0%** (0- 10%)

Hedge Funds **0%** (0-5%)

Foreign Currency Exposure (0-35%)

Risk characteristics

The Moderate option is expected to provide lower levels of return and short-term investment risk than the Growth and Balanced options, but higher levels than the Conservative option. This option's risk characteristics using TelstraSuper's four measures of investment risk are summarised in the diagrams below:

Probability of negative return

Severity of negative return

Expected level of volatility

Risk of not maintaining purchasing power over long-term

The Moderate option's Standard Risk Measure* is for a "medium to high level" of risk expected to generate 3 to less than 4 negative annual returns over any 20 year period.

Return objective

Outperform CPI + 2% p.a.

For the purpose of setting and measuring the return objective, a time horizon of 10 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 10 years. Member should consider investing in this option for at least a 4 to 10 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix†

52.8% growth assets, 47.2% defensive assets.

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†The long-term investment mix is used as a strategic guide for investing. The split of defensive and growth assets can vary from time to time as investment in each asset class may vary within the allowable ranges.

Conservative option

Objective

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

Who should invest?

Those who want to maintain some growth, with a lower risk of capital loss than the Moderate, Balanced or Growth options.

Investment strategy

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

Risk characteristics

Consistent with its lower return objective, the Conservative option is expected to have the lowest level of short-term investment risk of TelstraSuper's diversified investment options. This option's risk characteristics using TelstraSuper's four measures of investment risk are summarised in the diagrams below:

Probability of negative return

LOW RISK HIGH RISK

Severity of negative return

LOW RISK HIGH RISK

Expected level of volatility

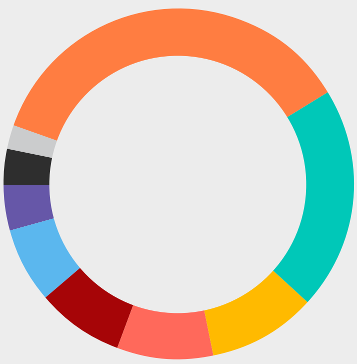
LOW RISK HIGH RISK

Risk of not maintaining purchasing power over long-term

LOW RISK HIGH RISK

The Conservative option's Standard Risk Measure* is for a "low to medium" level of risk expected to generate 1 to less than 2 negative annual returns over any 20 year period.

Investment mix and asset ranges



- Diversified Fixed Interest **36%** (5-60%)
- Cash **20.5%** (10-40%)
- International Shares **9%** (0-30%)
- Unlisted Property **10%** (0-25%)
- Australian Shares **8%** (0-30%)
- Infrastructure **7%** (0-15%)
- Alternative Debt **4%** (0-20%)
- Opportunities **3.5%** (0-10%)
- Listed Property Trusts **2%** (0-10%)
- Private Markets **0%** (0-10%)
- Defensive Alternatives **0%** (0 - 10%)
- Hedge Funds **0%** (0-5%)
- Foreign Currency Exposure (0-30%)

Return objective

Outperform CPI + 1%p.a.

For the purpose of setting and measuring the return objective, a time horizon of 10 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 10 years. Members should consider investing in this option for at least a 3 to 10 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix†

31.3% growth assets, 68.7% defensive assets.

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*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC)

†The long-term investment mix is used as a strategic guide for investing. The split of defensive and growth assets can vary from time to time as investment in each asset class may vary within the allowable ranges.

International Shares option

Objective

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

Who should invest?

Those who want to achieve potentially high returns in the long-term through exposure to International Shares, while being willing to accept a high level of volatility in returns.

Investment strategy

The International Shares option is mainly invested in shares in international companies and is invested through several investment managers. It can also hold investments in cash. It aims to achieve exposure to industries and companies that are not part of the Australian share market.

Risk characteristics

As this option is predominantly invested in listed equities, it has a high level of expected return and short-term investment risk. This option's risk characteristics using TelstraSuper's four measures of investment risk are summarised in the diagrams below:

Probability of negative return

Severity of negative return

Expected level of volatility

Risk of not maintaining purchasing power over long-term

The International Shares option's Standard Risk Measure* is for a "very high" level of risk expected to generate 6 or more negative annual returns over any 20 year period

Investment mix and asset ranges

- International Shares **100%** (95-100%)
- Cash **0%** (0-5%)
- Foreign Currency Exposure (0-100%)

Return objective

Outperform CPI + 3.5% p.a.

For the purpose of setting and measuring the return objective, a time horizon of 10 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 10 years. Members should consider investing in this option for at least an 8 to 10 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix

100% growth assets.

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*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC)

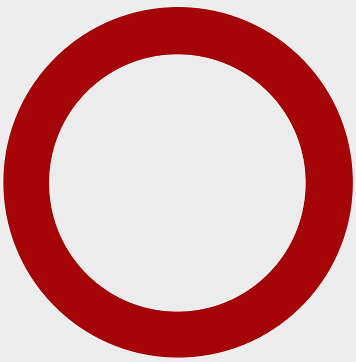
Australian Shares option

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

Who should invest?
Those who want to achieve potentially high returns in the long-term through exposure to listed Australian Shares, while being willing to accept a high level of volatility in returns.

Investment strategy
The Australian Shares option is mainly invested in shares in Australian companies, which are predominantly listed on the Australian Securities Exchange. It can also hold investments in cash. Diversification is achieved through exposure to a number of investment managers with different styles of investing.

Investment mix and asset ranges



- Australian Shares **100%** (95-100%)
- Cash **0%** (0-5%)

Risk characteristics
As this option is predominantly invested in listed equities, it has a high level of expected return and short-term investment risk. This option's risk characteristics using TelstraSuper's four measures of investment risk are summarised in the diagrams below:

Probability of negative return

Severity of negative return

Expected level of volatility

Risk of not maintaining purchasing power over long-term

The Australian Shares option's Standard Risk Measure* is for a "very high" level of risk expected to generate 6 or more negative annual returns over any 20 year period.

Return objective
Outperform CPI + 3.5%p.a.

For the purpose of setting and measuring the return objective, a time horizon of 10 years has been used.

Investment timeframe
The recommended investment timeframe for this option is 10 years. Members should consider investing in this Option for at least a 8 to 10 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix
100% growth assets.

The aim of this information is to provide members with investment objective and strategy details (including investment mix) that we consider members reasonably need to understand TelstraSuper's investments and reflect the manner in which objectives and strategies have been formulated by the Trustee pursuant to superannuation law and discretionary powers under TelstraSuper's Trust Deed.

*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC)

Property option

Objective

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

Who should invest?

Those who wish to generate investment returns through investing in property and accept that this option involves a moderate level of risk.

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.

Risk characteristics

Consistent with its return objective, the Property option is expected to generate lower returns and short-term investment risk than TelstraSuper's Australian and International Shares investment options, but higher levels than the Cash and Diversified Bonds and Credit single-asset class options. This option's risk characteristics using TelstraSuper's four measures of investment risk are summarised in the diagrams below:

Probability of negative return

Severity of negative return

Expected level of volatility

Risk of not maintaining purchasing power over long-term

The Property option's Standard Risk Measure* is for a "high" level of risk expected to generate 4 to less than 6 negative annual returns over any 20 year period.

Investment mix and asset ranges

- Unlisted Property **85%** (70-100%)
- Listed Property Trusts **15%** (0-30%)
- Cash **0%** (0-5%)
- Foreign Currency Exposure (0-30%)

Return objective

Outperform CPI + 3% p.a.

For the purpose of setting and measuring the return objective, a time horizon of 7 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 7 years. Members should consider investing in this option for at least a 5 to 7 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix†

57.5% growth assets, 42.5% defensive assets.

The aim of this information is to provide members with investment objective and strategy details (including investment mix) that we consider members reasonably need to understand TelstraSuper's investments and reflect the manner in which objectives and strategies have been formulated by the Trustee pursuant to superannuation law and discretionary powers under TelstraSuper's Trust Deed.

*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC)

†The long-term investment mix is used as a strategic guide for investing. The split of defensive and growth assets can vary from time to time as investment in each asset class may vary within the allowable ranges.

Diversified Bonds and Credit^ option

Objective

To build an investment portfolio to achieve the stated return objective within the stated risk parameters over the specified timeframe. In the short-term, returns can be negative from time to time as this option is influenced by changes in interest rates and expected future interest rates.

Who should invest?

Those who are seeking an investment option where returns are determined by a combination of income payments and changes in capital values influenced by changes in interest rates. This option has higher expected long-term returns and risk than Cash and lower expected long-term returns and risk than Shares. It can deliver both positive and negative returns.

Investment strategy

The Diversified Bonds and Credit 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%.

Investment mix and asset ranges

Diversified Fixed Interest **100%** (50-100%)

Cash **0%** (0-50%)

Risk characteristics

Consistent with its lower return objective, the Diversified Bonds and Credit option is expected to generate low levels of return and short-term investment risk. Its returns will be influenced by changes in interest rates, and it may suffer negative returns if long term interest rates increase. This option's risk characteristics using TelstraSuper's four measures of investment risk are summarised in the diagrams below:

Probability of negative return

LOW RISK HIGH RISK

Severity of negative return

LOW RISK HIGH RISK

Expected level of volatility

LOW RISK HIGH RISK

Risk of not maintaining purchasing power over long-term

LOW RISK HIGH RISK

The Diversified Bonds and Credit option's Standard Risk Measure* is for a "low to medium" level of risk expected to generate 1 to less than 2 negative annual returns over any 20 year period.

Return objective

Outperform the Bloomberg AusBond Bank Bill Index, adjusted for tax†, +0.5% p.a.

For the purpose of setting and measuring the return objective, a time horizon of 8 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 8 years. Members should consider investing in this option for at least a 4 to 8 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix

100% defensive assets.

The aim of this information is to provide members with investment objective and strategy details (including investment mix) that we consider members reasonably need to understand TelstraSuper's investments and reflect the manner in which objectives and strategies have been formulated by the Trustee pursuant to superannuation law and discretionary powers under TelstraSuper's Trust Deed.

†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.

*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC)

^ This option was previously known as the Fixed Interest option.

Cash option

Objective

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

Who should invest?

Those who require access to cash in the short-term or who are seeking a secure, very low risk investment. Over long-term periods, Cash is expected to be the lowest returning asset class.

Investment strategy

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

Risk characteristics

The Cash option is TelstraSuper's most defensive investment option, with the lowest expected level of return and short-term investment risk. This option's risk characteristics using TelstraSuper's four measures of investment risk are summarised in the diagrams below:

Probability of negative return

Severity of negative return

Expected level of volatility

Risk of not maintaining purchasing power over long-term

The Cash option's Standard Risk Measure* is for a "very low" level of risk expected to generate less than 0.5 negative annual returns over any 20 year period.

Investment mix and asset ranges

Return objective

Outperform the Bloomberg AusBond Bank Bill Index, adjusted for tax†.

For the purpose of setting and measuring the return objective, a time horizon of 2 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 2 years. Members should consider investing in this option for at least a 0 to 2 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix

100% defensive assets.

The aim of this information is to provide members with investment objective and strategy details (including investment mix) that we consider members reasonably need to understand TelstraSuper's investments and reflect the manner in which objectives and strategies have been formulated by the Trustee pursuant to superannuation law and discretionary powers under TelstraSuper's Trust Deed.

†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.

*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC)

Direct Access option

Objective

To provide members with the choice and flexibility to manage part of their super.

Who should invest?

Investors who are comfortable taking an active role managing part of their super investment.

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 timeframe

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

- term deposits: 1 year 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.

For more information, refer to the **Direct Access Product Guide** available at **telstrasuper.com.au/pds**

MySuper Growth

Objective

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

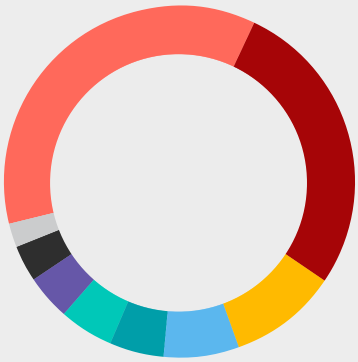
Who should invest?

This option suits those who are seeking high growth and are comfortable with high levels of volatility in returns, particularly over the short-term. Compared to the other options available in TelstraSuper, this option involves a higher level of risk to target greater returns over the longer term. As a result, the value of your investment may rise or fall in the short-term.

Investment strategy

The MySuper Growth option has a strong bias towards growth assets, such as Australian and International Shares, with a smaller allocation towards defensive assets such as Cash.

Investment mix and asset ranges



- International Shares **36%** (20-60%)
- Australian Shares **27.5%** (10-50%)
- Unlisted Property **10%** (0-25%)
- Infrastructure **7%** (0-15%)
- Private Markets **5%** (0-15%)
- Cash **5%** (0-15%)
- Alternative Debt **4%** (0-20%)
- Opportunities **3.5%** (0-10%)
- Listed Property Trusts **2%** (0-10%)
- Diversified Fixed Interest **0%** (0-20%)
- Defensive Alternatives **0%** (0 - 10%)
- Hedge Funds **0%** (0-5%)
- Foreign Currency Exposure (10-50%)

Risk characteristics

Consistent with its higher return objective, the Growth option is expected to have the highest level of short-term investment risk of TelstraSuper's diversified investment options. This option's risk characteristics using TelstraSuper's four measures of investment risk are:

Probability of negative return

Severity of negative return

Expected level of volatility

Risk of not maintaining purchasing power over long-term

The Growth option's Standard Risk Measure* is for a "high" level of risk expected to generate 4 to less than 6 negative annual returns over any 20 year period.

Return objective

Outperform CPI + 3.5% p.a.

For the purpose of setting and measuring the return objective, a time horizon of 10 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 10 years. Members should consider investing in this option for at least a 7 to 10 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix†

82.8% growth assets, 17.2% defensive assets.

The aim of this information is to provide members with investment objective and strategy details (including investment mix) that we consider members reasonably need to understand TelstraSuper's investments and reflect the manner in which objectives and strategies have been formulated by the Trustee pursuant to superannuation law and discretionary powers under TelstraSuper's Trust Deed.

*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC)

†The long-term investment mix is used as a strategic guide for investing. The split of defensive and growth assets can vary from time to time as investment in each asset class may vary within the allowable ranges.

MySuper Balanced

Objective

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

Who should invest?

This option suits those who are seeking growth and are comfortable with volatility of returns, particularly over the short-term.

Investment strategy

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

Risk characteristics

The Balanced option is expected to provide lower levels of return and short-term investment risk than the Growth option, but higher levels than the Moderate and Conservative options. This option's risk characteristics using TelstraSuper's four measures of investment risk are summarised in the diagrams below:

Probability of negative return

LOW RISK HIGH RISK

Severity of negative return

LOW RISK HIGH RISK

Expected level of volatility

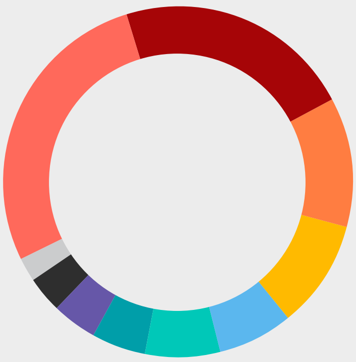
LOW RISK HIGH RISK

Risk of not maintaining purchasing power over long-term

LOW RISK HIGH RISK

The Balanced option's Standard Risk Measure* is for a "high" level of risk expected to generate 4 to less than 6 negative annual returns over any 20 year period.

Investment mix and asset ranges



- International Shares **27.5%** (10-50%)
- Australian Shares **22%** (0-40%)
- Diversified Fixed Interest **12%** (0-40%)
- Unlisted Property **10%** (0-25%)
- Infrastructure **7%** (0-15%)
- Cash **7%** (0-15%)
- Private Markets **5%** (0-15%)
- Alternative Debt **4%** (0-20%)
- Opportunities **3.5%** (0-10%)
- Listed Property Trusts **2%** (0-10%)
- Defensive Alternatives **0%** (0 - 10%)
- Hedge Funds **0%** (0-5%)
- Foreign Currency Exposure (5-45%)

Return objective

Outperform CPI + 3% p.a.

For the purpose of setting and measuring the return objective, a time horizon of 10 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 10 years. Members should consider investing in this option for at least a 5 to 10 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix†

68.8% growth assets, 31.2% defensive assets.

The aim of this information is to provide members with investment objective and strategy details (including investment mix) that we consider members reasonably need to understand TelstraSuper's investments and reflect the manner in which objectives and strategies have been formulated by the Trustee pursuant to superannuation law and discretionary powers under TelstraSuper's Trust Deed.

*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC)

†The long-term investment mix is used as a strategic guide for investing. The split of defensive and growth assets can vary from time to time as investment in each asset class may vary within the allowable ranges.

MySuper Moderate

Objective

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

Who should invest?

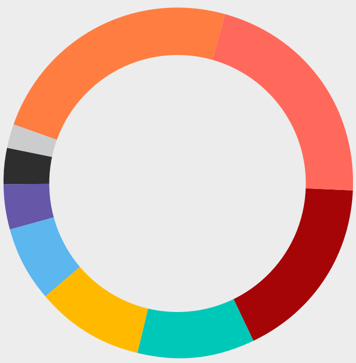
Members who want the potential for moderate investment growth but with greater security than the Balanced or Growth options. This option is designed to give more flexibility for members who might be looking to access their super in the short to medium-term and who want to continue participating in capital growth.

Investment strategy

The Moderate 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.

Investment mix and asset ranges



- Diversified Fixed Interest **24%** (0-50%)
- International Shares **21.5%** (0-40%)
- Australian Shares **17%** (0-35%)
- Cash **11%** (0-25%)
- Unlisted Property **10%** (0-25%)
- Infrastructure **7%** (0-15%)
- Alternative Debt **4%** (0-20%)
- Opportunities **3.5%** (0-10%)
- Listed Property Trusts **2%** (0-10%)

Private Markets 0% (0-10%)

Defensive Alternatives 0% (0- 10%)

Hedge Funds 0% (0-5%)

Foreign Currency Exposure (0-35%)

Risk characteristics

The Moderate option is expected to provide lower levels of return and short-term investment risk than the Growth and Balanced options, but higher levels than the Conservative option. This option's risk characteristics using TelstraSuper's four measures of investment risk are summarised in the diagrams below:

Probability of negative return

Severity of negative return

Expected level of volatility

Risk of not maintaining purchasing power over long-term

The Moderate option's Standard Risk Measure* is for a "medium to high level" of risk expected to generate 3 to less than 4 negative annual returns over any 20 year period.

Return objective

Outperform CPI + 2% p.a.

For the purpose of setting and measuring the return objective, a time horizon of 10 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 10 years. Member should consider investing in this option for at least a 4 to 10 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix†

52.8% growth assets, 47.2% defensive assets.

The aim of this information is to provide members with investment objective and strategy details (including investment mix) that we consider members reasonably need to understand TelstraSuper's investments and reflect the manner in which objectives and strategies have been formulated by the Trustee pursuant to superannuation law and discretionary powers under TelstraSuper's Trust Deed.

*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC)

†The long-term investment mix is used as a strategic guide for investing. The split of defensive and growth assets can vary from time to time as investment in each asset class may vary within the allowable ranges.

MySuper Conservative

Objective

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

Who should invest?

Those who want to maintain some growth, with a lower risk of capital loss than the Balanced or Growth options.

Investment strategy

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

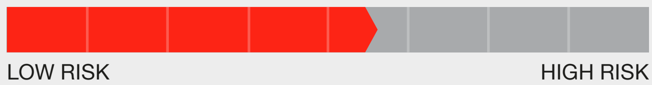
Risk characteristics

Consistent with its lower return objective, the Conservative option is expected to have the lowest level of short-term investment risk of TelstraSuper's diversified investment options. This option's risk characteristics using TelstraSuper's four measures of investment risk are summarised in the diagrams below:

Probability of negative return

Severity of negative return

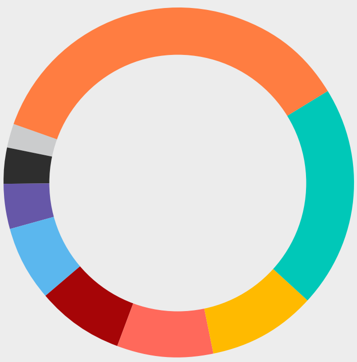
Expected level of volatility



Risk of not maintaining purchasing power over long-term

The Conservative option's Standard Risk Measure* is for a "low to medium" level of risk expected to generate 1 to less than 2 negative annual returns over any 20 year period.

Investment mix and asset ranges



- Diversified Fixed Interest **36%** (5-60%)
- Cash **20.5%** (10-40%)
- Unlisted Property **10%** (0-25%)
- International Shares **9%** (0-30%)
- Australian Shares **8%** (0-30%)
- Infrastructure **7%** (0-15%)
- Alternative Debt **4%** (0-20%)
- Opportunities **3.5%** (0-10%)
- Listed Property Trusts **2%** (0-10%)
- Private Markets **0%** (0-10%)
- Defensive Alternatives **0%** (0 - 10%)
- Hedge Funds **0%** (0-5%)
- Foreign Currency Exposure (0-30%)

Return objective

Outperform CPI + 1%p.a.

For the purpose of setting and measuring the return objective, a time horizon of 10 years has been used.

Investment timeframe

The recommended investment timeframe for this option is 10 years. Members should consider investing in this option for at least a 3 to 10 year time-horizon. This timeframe provides an indication of the typical length of time over which investments in this option should be expected to be held.

Long-term strategic investment mix†

31.3% growth assets, 68.7% defensive assets.

The aim of this information is to provide members with investment objective and strategy details (including investment mix) that we consider members reasonably need to understand TelstraSuper's investments and reflect the manner in which objectives and strategies have been formulated by the Trustee pursuant to superannuation law and discretionary powers under TelstraSuper's Trust Deed.

*The Standard Risk Measure is a standardised way of communicating investment risk that has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC)

†The long-term investment mix is used as a strategic guide for investing. The split of defensive and growth assets can vary from time to time as investment in each asset class may vary within the allowable ranges.

03
Choosing an investment option

You can invest in an option, including our MySuper Lifecycle, that best suits your age, timeframe, financial plans, appetite for return and your tolerance for risk.

Pages 7 to 19 of this guide outline our investment options, their investment timeframes, and their associated levels of risk and expected return.

Our MySuper Lifecycle investment option consists of four investment stages:

Member age	MySuper Lifecycle investment stages
Under 50	MySuper Growth
50 to under 65	MySuper Balanced
65 to under 70	MySuper Moderate
70 and over	MySuper Conservative

MySuper members will have their balance invested in the relevant age-based investment stage shown in the table above. As the member ages, their super will automatically be moved to the relevant age-based investment stage, without incurring a buy-sell spread.

If you don't choose an investment option(s) when you first become a TelstraSuper accumulation member, you're automatically placed in the relevant MySuper investment stage*.

We'll advise you in writing whenever new investment options are introduced, or when changes are made to the existing options.

Buy-sell spreads

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of a superannuation entity in relation to the sale and purchase of assets of the entity. For further information, refer to the **Additional Information About Your Super** guide available at **telstrasuper.com.au/pds**

Diversify your investment to help minimise risk

Diversification simply means spreading risk. TelstraSuper does this by offering diversified investment options that invest in a mix of growth and defensive assets, such as Shares, Fixed Interest, Unlisted Property, Listed Property Trusts and Cash. In this way, when one asset is not performing as well as expected, the other assets in your portfolio may help to balance the overall return. You've heard the saying, 'don't put all your eggs in one basket'. Apply this concept to investing and it can help reduce the impact of negative returns on your investment.

We also achieve diversification by selecting a wide range of specialist investment managers. This means that different specialists in each asset class manage your money, which also helps spread the risk. Each manager is carefully chosen to provide competitive performance as well as specialist skills in particular markets.

You can find a full list of our investment managers on our website.

* Except members who transferred to TelstraSuper Corporate Plus as part of the Telstra 2014 Super Offer.

Choosing a mix of investment options

Members can individually tailor their investment by choosing a mix of investment options, as shown in the example below.

Example

Sally has $100,000 in her super account and would like to divide it between a mixture of investment options, which she can do by allocating specific percentages to the options of her choice:

Investment option/MySuper	Percentage
High Growth	-
Growth	-
Balanced	40%
Moderate	-
Conservative	-
International Shares	50%
Australian Shares	-
Property	-
Diversified Bonds and Credit	-
Cash	10%
Direct Access* - Cash Transaction Account - Term deposits - Listed securities (including shares and Exchange Traded Funds)	-
MySuper	
Total	**100%**

The mix will change as investment earnings accrue and income payments are made. Sally should therefore be careful to review her choice regularly to ensure that her mixed option selection remains appropriate.

When you've invested across a mix of investment options, investment earnings depend on the combination of options you choose.

We don't guarantee that a mixture of any two or more investment options will provide earnings consistent with the performance of any individual investment options designed by us on their own.

Investment earnings for each option will be applied to your account balance via the unit price.

Over time, the value of your account will fluctuate. If you're invested in more than one investment option, these fluctuations will likely cause your percentage of holdings to vary from your initial investment profile. We don't automatically balance your account to keep your chosen split, however, if you'd like to automatically balance your account, you can use our Automatic Investment Re-weight facility.

The Automatic Investment Re-weight facility gives you the option to re-weight your account on a quarterly, half-yearly or yearly frequency. Your re-weight can include any investment options (excluding Direct Access) and you can also nominate a deviation tolerance percentage that determines what percentage your account needs to fluctuate from its initial allocation before the re-weight occurs. Please note, any applicable buy-sell spreads will be incurred for re-weighting your investment profile.

If you'd like to setup an Automatic Investment Re-weight profile, you can do so by completing a **TelstraSuper Investment Choice** form available at **telstrasuper.com.au** or call us.

Speak to TelstraSuper Financial Planning

You should consider seeking financial advice from TelstraSuper Financial Planning. To discuss your advice needs, please call TelstraSuper Financial Planning on **1300 033 166** (option 2).

Changing your investment option(s)

If you'd like to change your investment option(s), you can do so securely via your SuperOnline account. Alternatively, you can complete an **Investment Choice** form, available at **telstrasuper.com.au/forms** or by calling us.

You can change your investment option(s) at any time. Investment switching will incur any applicable buy-sell costs. For more information on buy-sell spreads see the **Additional Information About Your Super** guide available at **telstrasuper.com.au/pds**

Changing your investment option(s) will also affect how investment returns are allocated to your account.

* Investment switches can be made based on percentage or dollar amount. Switches to and from Direct Access must be made through SuperOnline and for dollar amounts only.

Applying investment returns to your account

Investment returns/earnings are applied to your account according to your chosen investment option(s). We declare daily unit prices for the purpose of applying investment returns to your account. The unit price applied depends upon your account activity and the 'Effective Day' for transactions. For more information on how your account works, see the 'How your super account works' section in our **Additional Information About Your Super** guide available at **telstrasuper.com.au/pds**

Investment option switches will be processed at the sell unit price (out of the current investment option(s)) and the buy unit price (into the selected investment option(s)) applicable to the day the switch took place.

For online investment option switches, we must receive the switch instruction before 5.30pm on a Melbourne business day in order to be transacted at that day's declared unit price. Unit prices for a particular day are declared on the following Melbourne business day. For online switches received on or after 5.30pm the switches will be transacted using the next day's buy and sell unit prices.

For investment option switch instructions given other than online (such as by post, email or in person), those instructions are not always able to be processed in accordance with the above timeframes and as result the unit price that will be applied to those instructions will be the one available on the first business day after such processing.

A Melbourne business day is from Monday through Friday (inclusive) and excludes any day that falls on a national public holiday or a Victorian public holiday (this does not include a public holiday that is a non-metropolitan Victorian public holiday only), as published on the Victorian Government's website.

The total income earned for the month is applied within seven business days of the following month. If a full withdrawal is made before the month end, no income distribution will take place for that month. Instead, the withdrawal benefit will be inclusive of income accrued at the time of redemption.

04

Risks of super

Like any investment, there are risks associated with investing your super. The significant risks include:

Risk	Description
Inflation risk	Inflation may exceed the return on your investment, reducing its real value.
Individual investment risk	The investment option(s) you choose may fall in value.
Market risk	Changes in investment markets due to economic or political factors may occur, possibly causing changes in your investments and returns.
Interest rate risk	Changes to interest rates may impact on investment returns.
Hedging risk (currency)	We invest in overseas investments, for example as part of the International Shares option, and if the currency of those countries rises or falls, the value of your investment may change in Australian dollars.
Derivative risk	Derivatives are instruments that derive their value from an underlying asset, such as a share or index. We use derivatives to reduce risk, reduce transaction costs and as an efficient way to gain exposure to certain asset classes, including Australian and International Shares and Fixed Interest. Derivatives are not used for gearing. Risks include the value of the derivative falling, which may affect your investments. We aim to control derivative risk by monitoring TelstraSuper's contracts and by entering into derivative contracts with reputable parties.
Changes to law	Super and tax laws change often and these changes may affect your investment.
Manager risk	The risk an investment manager will not perform to expectation (which might put your investments at risk). Our manager risk is reduced by using a diverse range of specialist investment managers chosen to provide competitive performance as well as specialist skills. Performance is carefully monitored and managed.

* Subject to investment performance.

05
Environmental, Social and Governance (ESG) Considerations

TelstraSuper's fundamental objective is to responsibly enhance the financial security of its members in retirement. As part of managing ESG-related risk to an acceptable level and subject to its statutory and regulatory duties and obligations, TelstraSuper seeks to holistically incorporate material ESG considerations alongside other investment factors as part of its investment decision-making processes.

Our approach to ESG risks and opportunities management

TelstraSuper seeks to incorporate material ESG considerations as part of its investment decision-making processes in a systemic and pragmatic manner consistent with our ESG Policy, available at **telstrasuper.com.au/sip**

TelstraSuper aims to apply this approach across the Fund's whole investment portfolio, excluding cash, currency and derivatives.

TelstraSuper's investment approach is guided by the following five pillars:

1. ESG Integration
2. Active Ownership
3. Systemic ESG Issues
4. Collaboration and Advocacy
5. Exclusions.

ESG Integration

TelstraSuper seeks to integrate material ESG factors as part of its efforts to enhance long term financial outcomes for its members, by:

- Evaluating systemic material ESG risks within the investment portfolio and integrating the conclusions into its investment management decision-making process and risk management strategies.
- Utilising an internal ESG assessment framework as part of the pre-investment due diligence process, which forms a critical component of the overall investment assessment process.
- Engaging with prioritised investee companies and external investment managers to keep track of their ESG performance. These evaluations help TelstraSuper pinpoint areas where improvement may be needed to promote and encourage enhanced ESG management practices over the longer term.

TelstraSuper allows its external investment managers some discretion to determine how they implement material ESG considerations where appropriate, in accordance with their own respective investment policies and procedures and provided this is consistent with sound management of material ESG risks.

TelstraSuper's focus on a particular material ESG factor or factors may vary or change as TelstraSuper determines the circumstances require. TelstraSuper's external investment managers may also consider ESG factors that differ from TelstraSuper's from time to time.

Active Ownership

As an integral component of the ESG investment approach, TelstraSuper acknowledges the importance of advocating for the advancement and promotion of ESG risk management practices in its investee companies and assets.

Voting

Voting is one of the cornerstones of TelstraSuper's active ownership approach and can serve to promote accountability and good corporate governance in its listed investee companies. TelstraSuper aims to ensure that all voting decisions incorporate sound ESG practices and align with TelstraSuper's Proxy Voting Policy. You can find information on TelstraSuper's voting approach in our Proxy Voting Policy and disclosure of our voting decisions at **telstrasuper.com.au/ProxyVoting**

Engagement

TelstraSuper's engagement approach aims to have direct and indirect interaction with prioritised investee companies on a wide spectrum of ESG issues. The engagement may be conducted directly by TelstraSuper, by its external investment managers and/or collaboratively with other investors and/or industry bodies.

TelstraSuper maintains ongoing dialogue with as many of its investment managers as practicable, to exchange insights and expand its understanding of significant issues. TelstraSuper believes that this collaborative approach fosters knowledge sharing and enables TelstraSuper to assess the active ownership capabilities of its external fund managers.

Escalation

TelstraSuper monitors the outcomes of engagement with prioritised investee companies within its investment portfolio, whether this engagement is undertaken directly or through deriving the benefit from collaborative engagement.

To try and influence change at an investee company or in respect to an asset, TelstraSuper's escalation strategy may encompass a range of measures including advocacy, proxy voting, and supporting shareholders' resolutions as appropriate on a case-by-case basis. Divestment (other than in respect to excluded investments as described below) is generally used as a last resort and will be considered only in exceptional circumstances or when escalation fails to deliver satisfactory outcomes over foreseeable and/or reasonable timeframes.

Systemic ESG Factors

TelstraSuper acknowledges the importance of considering systemic ESG factors like climate change and modern slavery in its investment portfolio, as they may impact members' long-term returns.

Climate change

TelstraSuper acknowledges the potential financial implications of climate change on members' long-term returns and supports the Paris Agreement's goal of limiting global warming.

TelstraSuper has adopted three high-level goals:

1. Achieve net zero greenhouse gas emissions across the investment portfolio by 2050, with specified milestones prior to that date.
2. Build investment portfolio resilience, where practical, to the physical impacts of climate change across asset classes.
3. Proactively invest in opportunities that are expected to be net beneficiaries of the transition to a net-zero emissions world.

Modern slavery

TelstraSuper is against all forms of modern slavery in which people are exploited for personal or commercial gain. The *Modern Slavery Act 2018* (Cth) prohibits eight different types of serious exploitation practices.

Following the guidelines set by the Department of Home Affairs, TelstraSuper works to manage modern slavery risks in its operational and investment supply chains. This includes raising internal awareness and implementing processes to assess these risks as part of its ESG investment management approach.

TelstraSuper also expects its suppliers, including external investment managers, to uphold legally compliant and responsible labour practices and manage modern slavery risks within their operations and supply chains.

Collaboration and Advocacy

TelstraSuper recognises that material ESG factors and matters are often systemic, complex and evolving, affecting all types of investments across various geographies. To try and address this, TelstraSuper supports collective action and sharing knowledge and resources.

While TelstraSuper is responsible for its own ESG management program, engaging in industry networks and forums facilitates a collaborative process and ensures access to updated information on relevant ESG topics and broader economic developments.

TelstraSuper assesses various factors before engaging in collaboration initiatives, such as the initiative's alignment with TelstraSuper's ESG Policy and the potential effectiveness of the initiative.

TelstraSuper is a signatory to the Principles for Responsible Investment (PRI) and participates in numerous collaborative investor groups and initiatives, including:

- Australian Council of Superannuation Investors (ACSI)
- Responsible Investment Association Australasia (RIAA)
- Investor Group on Climate Change (GCC)
- Climate Action 100+
- Investors Against Slavery and Trafficking (IAST)
- 40:40 Vision.

Exclusions

The TelstraSuper Board may from time to time determine that certain assets, industries or activities with undesirable ESG or ethical credentials are to be excluded from all or part of our investment portfolio. TelstraSuper may, in its sole discretion, also apply various materiality thresholds, principles, guidelines and/or exceptions to such determinations on a case by case, group and/or class basis.

TelstraSuper currently maintains investment exclusions on investing in:

- manufacturers of tobacco and like products or devices that facilitate smoking where such manufacturing is a material activity of the entity.
- manufacturers of controversial weapons[1] where such manufacturing is a material activity of the entity.[2]
- primary-focus thermal coal producers, where the majority of company or group earnings are derived from thermal coal production.
- Russian-domiciled securities (including corporate debt issued in hard currency) and Russian sovereign debt instruments.

TelstraSuper employs various screening processes and exception reporting in respect to our listed securities to identify and prevent non-compliance. Despite this, no process and/or screening is infallible and errors and delays in obtaining corporate information may occur, causing excluded investments to reside in the investment portfolio until identified. Where non-compliance is identified, TelstraSuper will seek to divest non-complying investments in an orderly fashion as soon as practicable as permitted by the relevant market and in a manner that, as far as possible, preserves value for members.

1. Controversial weapons manufacture means involvement in the production of anti-personnel mines, biological and chemical weapons and cluster weapons.

2. Exclusion is limited to whole weapons systems or components developed for exclusive use in controversial weapons.

06 Stay informed

More information and helpful articles about investing your retirement savings are available from our website. We also publish an e-newsletter, which includes news and updates on investment performance and the options available to TelstraSuper members.

Ensure you are subscribed to our e-newsletter via your SuperOnline account. We produce a range of educational and informative web videos designed to provide succinct overviews of retirement savings concepts and general updates on TelstraSuper performance and fund news.

To view our range of videos visit **telstrasuper.com.au**

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