

Creating better futures

Annual Report | 2023



Acknowledgment of Country

TelstraSuper acknowledges the Traditional Custodians of the lands on which we work. We pay respect and honour Aboriginal and Torres Strait Islander Elders past and present. We recognise their stories, traditions and living cultures and commit to building a brighter future together.

Our offices are placed on the lands of the following Traditional Custodians:

Melbourne (head office)

The Wurundjeri Woi Wurrung people of the Kulin nation

Sydney

The Gadigal people of the Eora nation

Adelaide

The Kaurna peoples

Brisbane

The Turrbal and Jagera/Yuggera peoples

Contents

2022/23 highlights	2	Board of Directors	30
Who we are	4	Executive team	33
From the Chair	6	An industry-leading fund	36
From the Chief Executive Officer	8	Our 2023 performance snapshot	37
Our corporate strategy	10	The experts in employer super	38
Our strategic priorities	11	Our people – our heartbeat	40
From the Chief Investment Officer	14	Investment options	44
Sustainable investment strategy	16	Comparing our performance	53
Sustainable investment update	17	Investment managers	54
Our approach to climate change	22	Financial statements	56
Progress on our climate change plan	24	Defined benefit members	61
Investment spotlight	25	Governance	61
Protecting our members	26	Important information	62
Our member sentiment	28		

About this Annual Report

This Annual Report is for the 2022/23 financial year and has been prepared by TelstraSuper Pty Ltd in September 2023 for the Telstra Superannuation Scheme (TelstraSuper). The details in this report are accurate based on information known at the time of printing. Any general advice in this report has been prepared without taking into account your objectives, financial situation or needs. Before you act on any general advice in this report, you should consider whether it's appropriate to your individual circumstances. Before making any decisions, you should obtain and read the TelstraSuper Product Disclosure Statement and any other applicable Guides that are relevant to you, which are available on our website at telstrasuper.com.au or by calling **1300 033 166**. Questions about this report can be directed to our Member Contact Consultant on **1300 033 166**.

2022/23 highlights

\$25+ billion

in funds under management
as at 30 June 2023

\$63,282,416

received in voluntary pre-tax
contributions

\$519,807

received in government
co-contributions

\$387,278,677

received in voluntary post-tax
contributions



97%
of members registered
for SuperOnline



5,893
members attended
our webinars



61%
of members logged
into SuperOnline



1,645,019

visits to our website
telstrasuper.com.au



60,104
calls to member services



\$165,417

median member balance

\$118,842

female median member balance

\$209,324

male median member balance



● Female 40%

○ Male 60%

18yrs

average membership tenure years



49yrs

average age of female member



51yrs

average age of male member

\$2,745,669

retirement bonuses distributed across over 1,312 members



First Reconciliation Action Plan (RAP) launched



Our investment team had 77 meetings with companies to discuss ESG issues



Another reduction in administration fees making them the lowest in TelstraSuper's history



55% female representation at Board level



Awarded as a 'Workplace Gender Equality Agency Employer of Choice' for Gender Equality



Maintained Platinum rating for 'Best Value for Money' super fund (SuperRatings, 2023)

\$13.6 billion

invested in Australia

\$524 million

renewable energy investments as at 30 June 2023

\$5.3 billion

in assets internally managed

Who we are

TelstraSuper has over 30 years of experience in providing leading superannuation services. Originally established exclusively for Telstra employees, today, TelstraSuper is a leading profit-to-member super fund that is open for everyone to join.

With strong historical long-term returns, competitive fees and a leading member experience, TelstraSuper empowers members to make informed decisions and take control of their futures.

Our why

To give our members and their families the confidence to enjoy a better future than they ever imagined.

Our purpose

To excel at supporting members to grow and protect their super savings and optimise their income streams.

Our values*

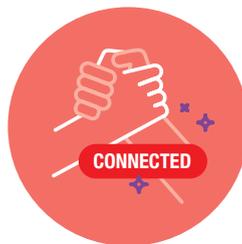
Our values serve as a compass for our actions and show how we work every day to help our members save for the retirement they want.



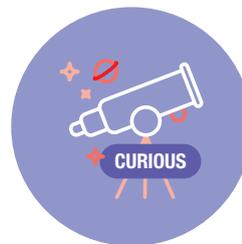
We exist for our members and employers and make meaningful decisions with their interests at heart.



We take pride in our work and deliver on our promises.



We act as one team and give each other genuine support.



We ask questions and challenge the way we do things.



We trust and value everyone equally.



From the Chair



Welcome to the TelstraSuper 2022/23 Annual Report. It's my privilege to share with you an overview of the Fund's performance, achievements, and future outlook.

The last 12 months have seen TelstraSuper deliver a large programme of work, and I'm extremely proud of what we have achieved. From expanding our service offering and developing new products, to delivering great investment returns for members, we've worked hard to ensure the Fund is delivering the best possible outcomes for members.

A strong year for returns

Despite the challenging economic environment over the past year, I am pleased to report that TelstraSuper has delivered strong returns for members.

Our investment portfolio has weathered market volatility and demonstrated stability, reflecting the prudence and diligence with which our investment strategies have been executed. The Fund's assets have grown, and our commitment to maintaining a balanced and diversified portfolio has contributed to these positive results.

You can read the full investment report on page [44](#).

Growing the TelstraSuper membership

Last year, we opened the Fund to invite new members and new employer partners. With TelstraSuper now open to everyone, I am delighted to report that our membership base is growing.

TelstraSuper has a proud 33-year history as the corporate fund for the Telstra Group. We've prided ourselves on delivering a strong super offering for members and, as a result, we find that the majority of Telstra Group employees stay with the Fund even after they move employers.

The Fund has also been an attractive proposition for non-Telstra-related workers. In fact, almost three-quarters of members no longer have a link to a Telstra Group employer.

We currently accept super contributions from around 20,000 employers, with our growth team working on inviting new employer partners that are aligned with our values and vision.

Our corporate strategy

TelstraSuper has a three-year strategic plan timeline, which is actively managed by the TelstraSuper Board. The Corporate Strategy and Corporate Business Plan are also reviewed annually in June, with 12–24 month priorities re-established.

As we come to the end of the final year in our current strategy, the Board has been working on the next corporate strategy, which begins in the 2023/24 financial year. Our strategic priorities remain under three pillars: best outcomes for members, enabled by our strong operating model, and delivering long-term sustainability.

The next stage of our strategy is centred around delivering and enhancing our products, investment performance and supporting services to ensure members achieve their best possible retirement outcome. Our business model continues to focus on quality and efficiency, with a culture that always puts members first.

We're confident that the Fund is well-positioned to navigate the evolving financial landscape. Our investment team remains dedicated to optimising returns while prudently managing risk. We will continue to uphold our fiduciary duties and adapt to market dynamics while maintaining the highest standards of governance and compliance.

TelstraSuper Financial Planning turns 21

This year, we marked the 21st birthday of TelstraSuper Financial Planning (TSFP), an early advice pioneer in the superannuation industry. Established in 2002, TSFP led the field in offering comprehensive financial advice to members rather than the narrower intra-fund advice provided by us and some other funds.

Over the years, the service offering has broadened to include advice about estate planning, retirement income solutions, investments outside super, and more. Members can also get advice on individual topics rather than needing to do a full financial plan. Our offering remains extremely price competitive, delivering strong value for clients.

Thousands of TelstraSuper members have received assistance from TSFP over the years, and we are very proud of the high ratings this vital part of our advice offering regularly receives from clients. The 2022 client survey found that more than 97% of clients said they would recommend TSFP to friends or family.

Board changes

There was only one change to the TelstraSuper board during the reporting period, with the departure of Meg Bonighton, who was replaced by Gretchen Cooke. We thank Meg for her strong contribution and look forward to working with Gretchen, who has a robust technology and customer-focused background. At the time of writing, we have also appointed Joseph Mitchell, who replaces outgoing member director Scott Connolly, who was appointed to the Fair Work Commission. Scott served the TelstraSuper Board for seven years, powerfully advocating for members – particularly around fund strategy and the sustainable investment space. We wish Scott all the best for the future and welcome Joseph to the board.

Thank you

On behalf of the TelstraSuper Board, I'd like to thank our members and employer partners for their continued support. I'd also like to express my gratitude to the fabulous TelstraSuper team, whose unwavering commitment to serving our members and employers is evident in everything they do.

As we continue to pave the way for the future, I have full confidence that our team is on a strong path, and I look forward to the continued journey of growth and success that lies ahead.



Anne-Marie O'Loghlin
Chair

“Our business model continues to focus on quality and efficiency, with a culture that always puts members first.”

Anne-Marie O'Loghlin, Chair, TelstraSuper

From the Chief Executive Officer



It's been a rewarding 12 months for TelstraSuper. We are extremely proud to have achieved strong investment returns for our members whilst continuing to build on our leading products and services.

Our investment strategy delivers for members

Despite challenging economic conditions brought about by rising inflation and higher interest rates, our most popular investment options performed extremely well during the year, delivering competitive returns.

Our MySuper Balanced option ended the financial year 9.34% higher, while our MySuper Growth option returned 11.53% over the same period.

These results confirm the benefit of portfolio diversification. While there were strong gains on local and overseas sharemarkets, returns from other assets, notably property and diversified bonds and credit, were modest.

The results also bring into focus the skills and expertise of our investment team, whose market knowledge and experience have enabled us to invest in high-performing assets to help the Fund deliver competitive returns for members.

Despite the current outlook for more economic uncertainty and talk of a potential recession, our experienced investment team's sole focus remains to maximise returns to members while managing risk.

Building seamless member experiences

This year marks the final year of our current three-year strategy, which is centred around building capabilities within the Fund to provide seamless experiences for members from when they join the Fund to when they retire. In line with this strategy, we've completed a number of initiatives designed to anticipate members' evolving needs, as well as attract new members to the Fund.

This includes creating a new Customer Experience (CX) business unit. The CX team brings together all of our member interactions across various channels and enables growth of the Fund through delivery of exceptional products, services and experiences.

I'm pleased to share that 93% of our members are registered to use our innovative personalised SuperOnline platform. This is a fantastic result, especially when compared to an industry median of 59%. Our members are also finding great value in our email communications, with our open rate almost double the industry average.

Empowering with knowledge and digital tools

A key aspect of helping our members build their financial futures is supporting them through every aspect of their journey with us.

We continue to build on our member education offering, providing more information and education opportunities for members through in-person events and online. During the year, we hosted more than 100 webinars across 32 unique topics.

We've also continued to harness digital technology to provide our members with relevant and engaging interactive experiences. This includes making it easier for members to transact with us online. As part of this, we've enhanced our online dashboard, digitised even more forms, and enabled members to upload documents directly into our online portal.



“A key aspect of helping our members build their financial futures is supporting them through every aspect of their journey with us.”

**Chris Davies, Chief Executive Officer,
TelstraSuper**

Adding to our suite of calculators has been another strategic focus. This included the launch of our retirement drawdown calculator that can help members understand how long their super will last in different scenarios, and members can choose to include the Age Pension if eligible. The calculator helps members to balance their different objectives in retirement, such as retirement adequacy, risk management and maximisation of income. We've listened to our members' needs and have also started work on some new calculators that I look forward to sharing with you in the 2023/24 financial year.

Our members can self-serve with these tools and calculators or get help from our new Guidance Specialist team. This premium servicing team can provide in-depth general advice, walking our members through our online tools and calculators, and connecting members to other services such as education and financial planning if required. The team can also proactively reach out to members as part of our member education campaigns. This approach supports our position as a best-in-class retirement fund.

Delivering value for members

As a profit-to-member fund, we regularly review our fees and look for ways to pass on reductions without compromising our service.

As foreshadowed in last year's Annual Report, we were once again able to pass on savings to our members. From 1 July 2022, we were able to reduce the percentage-based administration fee to 0.17% p.a. and the weekly fee to \$1.00 – the lowest they have been in TelstraSuper's history.

In other good news for members, TelstraSuper Income Protection insurance premiums decreased between 11.5% to 30% from 1 July 2023. We are also pleased to have secured another three years of competitive rates for our Death and Total & Permanent Disablement (TPD) insurance cover.

Keeping your super secure

Like most Australian businesses, managing cyber risk is one of our top priorities. We regularly review our cyber security arrangements to ensure that we have the right controls in place to help protect information and member accounts. Recent new measures include compelling members with simple passwords to update their passwords, educating members on how to recognise a scam, and applying additional identification measures when members call us. We also now send an SMS notification to members when a benefit request is made. We continue to monitor the cyber landscape and will make adjustments as required.

Maintaining our position as a leading super fund

I'm pleased to share that TelstraSuper has once again been named the Pension Fund of the Year in the 2023 Chant West Awards*. This is the second time running we've achieved this recognition, and it follows on from our 2023 SuperRatings Pension of the Year award. We were also named the Highest Super Performer as well as Best Property Superannuation Product in the Money Magazine 2023 Best of the Best Awards. It's fantastic to see our offering receive this recognition. You can read about all the recent TelstraSuper awards at telstrasuper.com.au/awards.

In November, we joined the Responsible Investment Association Australasia (RIAA), making us part of the largest network of responsible investors in Australia. Importantly, membership gives us access to working groups that shape and promote best practice protocols in responsible investing.

Another milestone for the Fund was the release of our second Climate Change Report, which provides updates on how we are managing climate-related risks and opportunities across our investment portfolio and the progress we are making in our journey to net zero carbon emissions by 2050. As a long-term investor managing around \$25 billion of assets on behalf of our members, we believe that considering climate risk in our investment portfolio is consistent with our responsibility to provide a better financial future for our members.

Thank you for your continued support

Finally, I'd like to congratulate our Chair, Anne-Marie O'Loughlin, who was recognised in the King's Birthday 2023 Honours List. Anne-Marie received recognition as a Member (AM) in the General Division of the Order of Australia for her significant service to the finance sector, to women, and to the community. We're lucky to have Anne-Marie to share her insights with our teams, and she plays an important role in setting the culture at TelstraSuper.

Thank you to all our members and employer partners for their support throughout the year. We look forward to continuing to support you into the future.

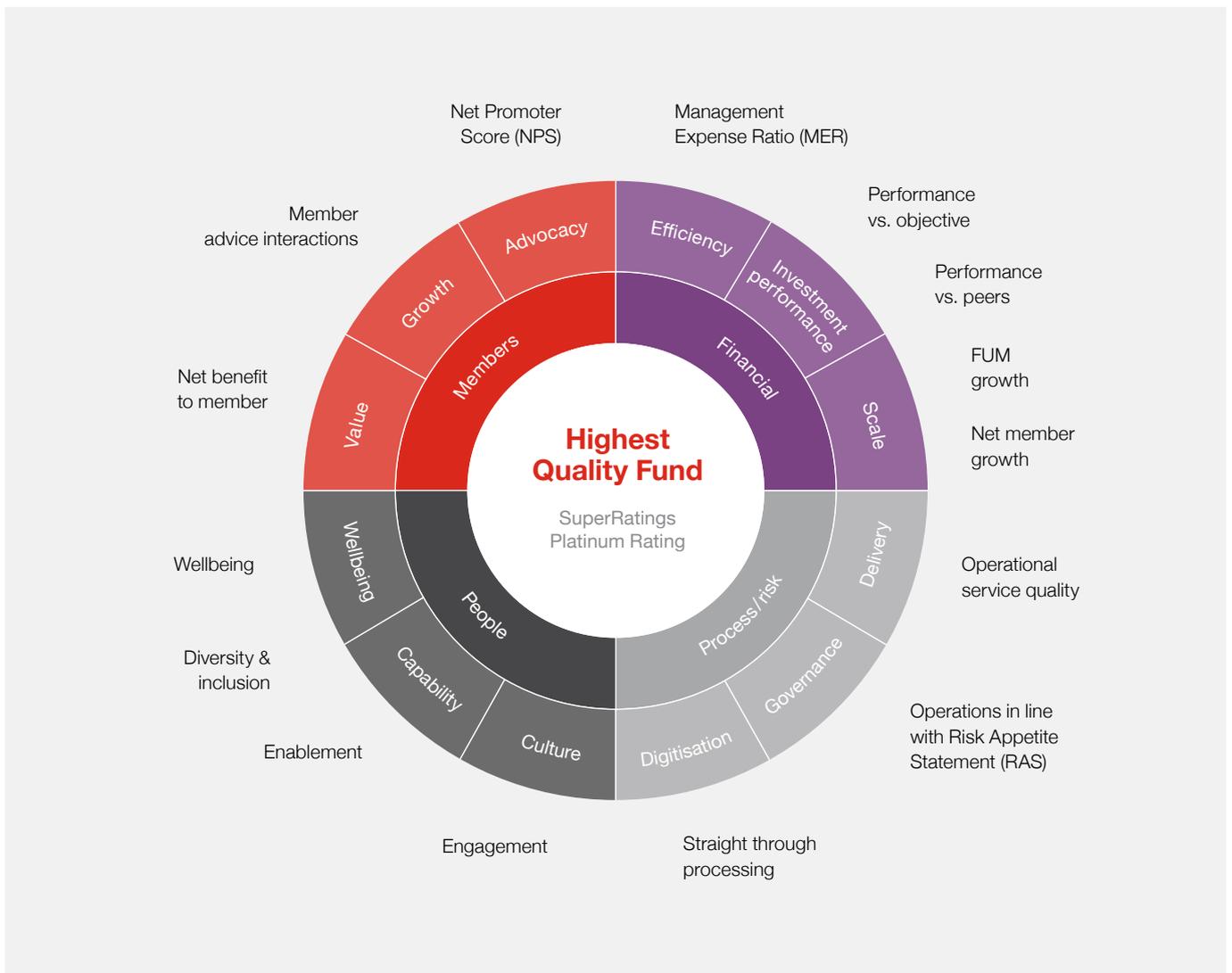


Chris Davies
Chief Executive Officer

* Awarded by Chant West Awards (Awards) on 17 May, 2023. Go to chantwest.com.au for complete information on Chant West's research methodology, processes, rating definitions and FSG.

Our corporate strategy

Our corporate scorecard monitors our success in delivery against our strategy. It has been structured based on the Balanced Business Scorecard to spread the focus across all four quadrants. The intention to maintain a Platinum fund rating with SuperRatings is central to the scorecard and overlaps multiple quadrants. We track our performance against all elements of our Corporate Scorecard to ensure we are fulfilling our corporate strategy's goals.



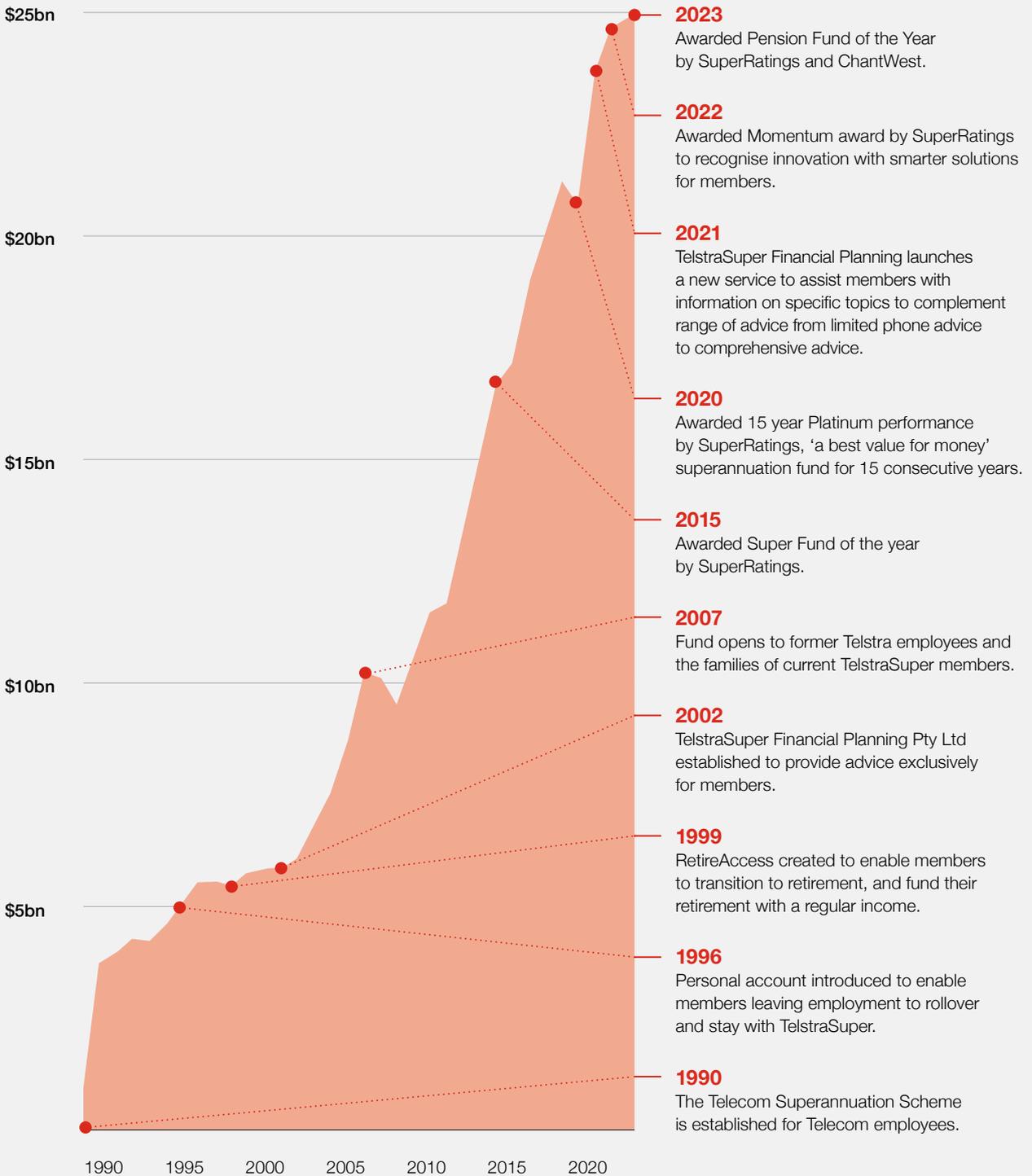
Our strategic priorities

Our strategic priorities clarify how we focus our efforts to deliver our purpose and vision. Activity across these strategic priorities will help ensure that we continue as a high-quality superannuation fund with a Platinum fund rating from SuperRatings while retaining scale and sustainability to help deliver the best outcomes for our members.

Best outcomes for our members	Industry leading member engagement and experience	Innovative products that anticipate members' evolving needs	Consistently strong investment performance
Enabled by our strong operating model	Leveraging data and technology to drive innovation and efficiency	Robust governance and risk management	Vibrant, empowered and inclusive people and teams
Delivering long-term sustainability	Trusted, scalable fund delivering sustainable growth		

TelstraSuper is in a good position to continue to provide benefits to members

Funds under management growth





From the Chief Investment Officer



Investment outcomes for the financial year ending 30 June 2023

I'm delighted to report on another strong year of investment performance for TelstraSuper members.

For our accumulation members, TelstraSuper's returns for the financial year were 11.5% in the Growth investment option, 9.3% in the Balanced investment option, 8.0% in the Defensive Growth¹ investment option and 4.8% in the Conservative investment option.

For our RetireAccess pension members, returns were similar. The Lifestyle Growth investment option earned 11.5%, the Lifestyle Balanced investment option earned 9.7%, the Lifestyle Moderate option earned 8.1%, and the Lifestyle Conservative investment option earned 4.8%.

You can see all of our investment returns on page [44](#) of this report.

Key drivers of investment returns for the financial year

Despite some periods of volatility, sharemarkets performed strongly overall for the financial year, and this was the key driver of returns in our diversified investment options. The main reasons for this strong sharemarket performance were:

- Firstly, we began to see signs of inflation potentially easing off. Sharemarket investors welcomed this news because it signalled the possibility that reserve banks might begin to slow down the pace of their interest rate rises.
- Secondly, many companies continued to grow their revenues and profits despite an overall slowing economy, so this boosted the confidence of investors.
- And finally, unemployment levels remained low throughout the year, which supported economic activity.

In contrast, it was a weaker environment for property investments, although pleasingly, TelstraSuper's Property investment option still delivered a small positive return for the financial year. The factors that weighed down property returns were higher interest rates and softer demand for office and retail properties, as working and shopping patterns continued to change in the aftermath of the Covid-19 pandemic lockdowns. Thankfully, not all property sectors were weak, and we continued to see encouraging results from our industrial property portfolio.

Fixed-interest investments also had a weaker year, as interest rates rose over the financial year. Despite this, our Fixed Interest investment option² delivered a small positive return for the financial year.

The financial year that has just passed provides another example of the benefits of a well-diversified portfolio. By having exposure to a range of diverse assets across many different industries and countries, we have, once again, been able to deliver strong returns to our members in our diversified investment options. Managing risk through diversification is one of our most important investment strategies.

A strong long-term track record

Of course, superannuation is a long-term investment. For most members, even those already retired, their superannuation will remain invested for many years or perhaps even many decades into the future. Therefore, what really matters most is how super performs over the long-term. So, it's pleasing to report that our medium and longer-term track record remains strong. For example, over ten years³, our Growth investment option has delivered an average return of 8.9% per annum for accumulation members and 9.8% per annum for RetireAccess members, and our Balanced investment option returns have averaged 7.7% per annum for accumulation members and 8.6% per annum for RetireAccess members.

Pleasingly, we have exceeded our long-term investment objectives, and our investment performance is highly competitive – for all our diversified options, we've outperformed the industry median return over 3, 5 and 10 year periods.⁴

Investment Outlook

In the financial year ahead, we expect that investment market outcomes will continue to be influenced by the key themes of inflation, interest rates and geopolitics.

If inflation continues to moderate, this will take pressure off interest rate rises, and lend support to economic activity. On the other hand, if inflation proves to be more sticky, we are likely to see continued rises in interest rates, placing pressure on businesses and households and most likely slowing economic growth.

Investment markets will also continue to react to developments in geopolitical conflicts, such as those between Russia and Ukraine and the trade tensions between the United States and China. There'll be a presidential election in the US towards the end of 2024, and that may also shape the way the economy evolves.

Considering the uncertainty in the outlook, we've entered the new financial year with somewhat cautiously positioned portfolios. In our diversified investment options, our exposure to shares is slightly lower than our long-term targets, and over the course of the last financial year, we have increased our targeted holdings of diversified fixed interest, so we are no longer underweight this asset class.

We believe that this positioning is an appropriate strategy for the current environment, but as always, our team of investment professionals will continue to actively manage our investment portfolios, remaining alert to both opportunities and risks as they emerge.

Changes to investment options

We have continued to evolve our investment options to ensure they remain well-placed to meet the needs of our members.

With effect from 1 July 2023, we merged our Defensive Growth and Diversified Income options into a new option called Moderate. The Defensive Growth and Diversified Income options had similar strategies and identical objectives, so it made sense to consolidate them into a single option. Similarly, for our RetireAccess members, we merged the Defensive Growth Option with the Lifestyle Moderate option. We contacted members invested in these options and they were able to choose a new investment option if they wished. Otherwise the changes happened automatically.

Also, with effect from 1 July, we changed the name of our Fixed Interest option. The new name for this option is Diversified Bonds and Credit. We made this change to provide a clearer description of the types of investments that this option invests in. Importantly, this is a name change only, and the underlying strategy in this option has not changed at all.

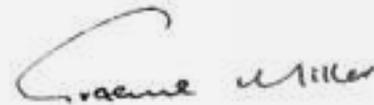
We are planning two further changes with effect from October 2023:

- The introduction of a new High Growth investment option – to give members with a longer-term time horizon an opportunity to invest in an option with higher potential returns and risk.
- Some refinements to the structure of MySuper investment options – to recognise that people are now living and working for longer periods.

Watch out for more information on these initiatives.

Thank you

At the end of another successful financial year, I'd like to finish this message by saying thank you for entrusting us with the management of your superannuation savings. It's a great privilege to do so. In the 2024 financial year and beyond, we'll continue to apply prudence and skill to enhance your financial future.



Graeme Miller
Chief Investment Officer

¹With effect from 1 July 2023, the Defensive Growth investment option has been renamed as the Moderate investment option.

²With effect from 1 July 2023, the Fixed Interest option has been renamed the Diversified Bonds and Credit investment option.

³Stated returns relate to periods ended 30 June 2023.

⁴Source: SuperRatings SR50/25 Fund Crediting Rate Surveys to 30 June 2023.

Sustainable investment strategy

TelstraSuper is committed to enhancing and protecting our members' long-term investment outcomes. TelstraSuper believes that Environmental, Social and Governance (ESG) factors affect investment risk and return over the medium to long-term. We, therefore, seek to incorporate material ESG considerations in our investment processes. We support the development of a more sustainable global economy and the attainment of the Paris Agreement on climate change.

TelstraSuper has been a signatory to the Principles for Responsible Investment supported by the United Nations (PRI) since 2007. Our approach to sustainable investment follows the guidelines established by the PRI, which are:



Incorporating analysis of Environmental, Social and Governance (ESG) factors in investment decision-making



Advocacy and collaboration



Active ownership and stewardship practices



Reporting on our activities

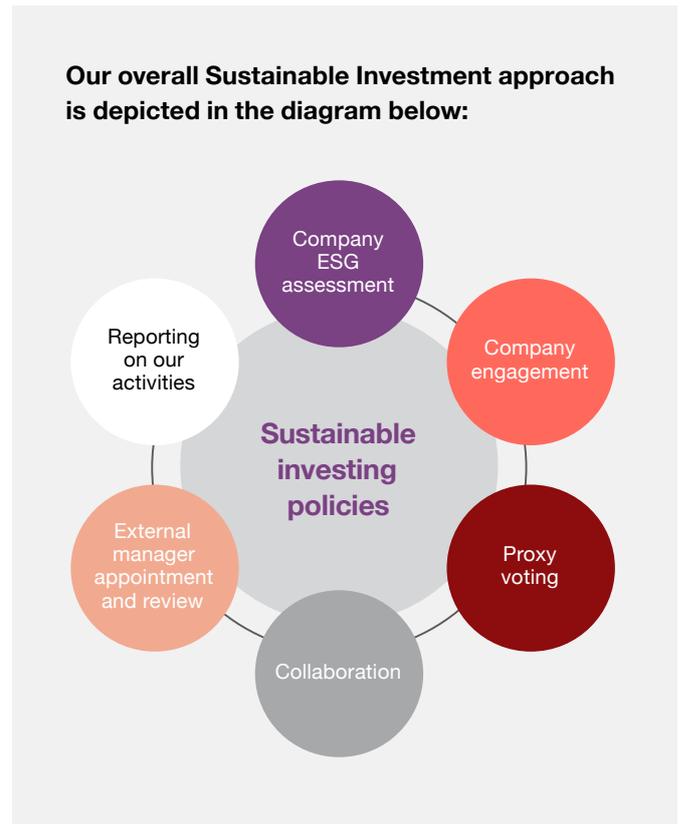


Encouraging good ESG disclosure by investee companies

Sustainable investment update

Key components of our Sustainable Investment strategy

- 1 The development of policies that articulate the Fund's beliefs and goals concerning Sustainable Investment. These include the Sustainable Investment Policy and Proxy Voting Policy.
- 2 Adopting a Climate Change Action Plan that incorporates a goal of achieving net zero greenhouse gas emissions by 2050 while advocating for a system-wide 45% reduction by 2030. The Plan outlines actions to achieve these goals, including investment in sustainable projects and assets that benefit from the climate change transition. Our second Climate Report, published in April 2023, reports on TelstraSuper's progress to date and outlines what steps we are taking to meet our goals.
- 3 Our Sustainable Investment Bulletin reports on our activities to members, the Board, the Investment Committee and other interested stakeholders. The Bulletin includes information on ESG risk assessment undertaken across the portfolio, external investment manager reviews, and highlights key active ownership and ESG engagements undertaken with investee companies.
- 4 Active ownership and voting at company meetings. TelstraSuper reports on its voting activity via our Proxy Voting Dashboard. TelstraSuper is a signatory to the Australian Asset Owner Stewardship Code and has published a statement on our approach.
- 5 Evaluating our investment managers' ESG capabilities, practices and policies before their appointment and reviewing these periodically.
- 6 Collaborating with organisations such as the Australian Council of Superannuation Investors (ACSI), the Responsible Investment Association of Australasia (RIAA), the Investor Group on Climate Change (IGCC) and the Climate Action 100+ Investor Initiative to influence the organisations we invest in.



Further information about our sustainable investment strategy and related initiatives can be found at telstrasuper.com.au/sustainable

Key ESG initiatives delivered during the 2022/23 financial year

Second Climate Change Report published

TelstraSuper published its second Climate Change Report in April 2023. The report documents TelstraSuper's climate change strategy for the investment portfolio, details implementation activities, and outlines our plans for 2023 and beyond. The report is aligned with the Task Force on Climate-related Financial Disclosures (TCFD) reporting framework developed by the Financial Stability Board and APRA's prudential guidance on reporting on climate change risk management. The report is publicly available on the TelstraSuper website.

Proxy Voting Policy updated

TelstraSuper's Proxy Voting Policy was updated in September 2022. Two key changes were made. The first was the inclusion of a voting guideline with criteria to help us assess the climate change strategies of the companies we invest in. The second was to update the voting guideline for director elections to articulate TelstraSuper's expectations on the gender balance of company boards and executive management teams of the Australian listed companies we invest in. TelstraSuper expects ASX300 companies to set medium and long-term targets for gender balance on their board and executive leadership teams, with a goal to achieve gender balance by no later than 2030. Where companies have poor gender balance and no plan for improvement, TelstraSuper will consider voting against individual directors most accountable for board succession and composition.

TelstraSuper became a signatory to the 40:40 vision

In October 2022, TelstraSuper became an Investor Signatory to the 40:40 Vision, an investor-led initiative aimed at promoting gender balance in executive leadership across Australia's largest listed companies. 40:40 Vision seeks to achieve gender balance – 40% women, 40% men and 20% any gender – across the senior leadership of all ASX300 companies by 2030.

TelstraSuper published its third Modern Slavery Statement in November 2022

The statement outlines TelstraSuper's approach to mitigating modern slavery risk across the Fund's investment portfolios, including:

- How we assess our external investment managers to understand how they consider modern slavery risk in the companies they invest in on our behalf;

- A summary of TelstraSuper's engagement on modern slavery with Australian investee companies across various industries to understand how these companies identify and manage the risk of modern slavery in their own operations and supply chains; and
- Our collaboration with organisations, including the Australian Council of Superannuation Investors (ACSI) and Monash University, on research into modern slavery reporting.

External manager appointment

Eight external managers' approaches to ESG integration were assessed as part of the Fund's due diligence relating to new investment during the year. Six of these external managers were subsequently appointed. One new manager was approved in fixed income, one in private equity and four in the alternatives asset class. Our assessment confirmed to us that the appointed external investment managers satisfactorily consider material ESG matters in their investment processes.

ESG company ratings

TelstraSuper continues to use its internally developed ESG rating framework to assess Australian listed companies that our internally managed equities investment portfolio may hold. Our approach incorporates qualitative and quantitative analysis based on multiple resources such as internal research, third-party specialist research, company reports and engagement meetings. We have employed the rating framework to analyse certain companies within the investment universe that TelstraSuper either invests in or are under consideration for investment by TelstraSuper's internal equities investment team. To June 2023, we have assessed 68 companies.

Portfolio Exclusions

The Fund's listed equities and corporate debt holdings are periodically reviewed to ensure continued compliance with the parameters of our investment exclusions on enterprises that are determined by us to be materially involved in the manufacture of tobacco, controversial weapons⁵ and prime-focus thermal coal⁶. Where non-compliance has been identified, we seek to divest these non-complying investments in an orderly fashion as soon as practicable.

In response to the Russian Federation's military invasion of Ukraine, TelstraSuper has determined it appropriate to alter our mandate conditions with our appointed asset managers to require divestment and exclusion of Russian-domiciled securities and Russian sovereign debt instruments.

⁵ Controversial weapons manufacture means involvement in the production of anti-personnel mines, biological and chemical weapons and cluster weapons. This exclusion is limited to whole weapons systems or components developed for exclusive use in controversial weapons.

⁶ Exclusion applies where the majority (51% or more) of company or group earnings are derived from thermal coal production.

TelstraSuper has instructed its managers not to invest any further capital in Russian securities or debt instruments until further notice and to divest existing positions managed on behalf of TelstraSuper in Russian-domiciled securities and/or Russian sovereign debt instruments in an orderly manner when markets permit. **This instruction remains in place; however, it should be noted that the Fund may have legacy exposure to/own Russian securities or debt instruments where the external investment manager has been unable to divest the assets given there is no functioning market in which to transact, there are no buyers for the asset or Russia has banned foreign investors from transacting in the securities.**

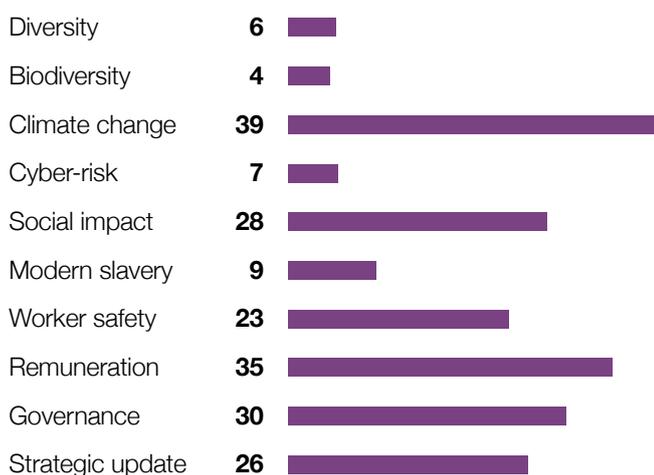
Engagement and stewardship

Active ownership and practices

Where possible, TelstraSuper takes an active ownership position, which means that we engage with the Australian listed companies we invest in and vote on decisions at their company meetings.

During the year, we engaged with 42 listed companies on various issues. We had 77 meetings (67 in collaboration with ACSI and ten direct) with directors and/or management of those companies across ten ESG topics.

Summary of ESG topics discussed with companies



Rated an ESG Leader by Rainmaker

Rainmaker's ESG Leader Rating is earned by Australian superannuation funds that are implementing ESG principles to a high level while having a track record of solid investment performance.

The factors that Rainmaker assess are:

- 1 **Governance** The fund publicly declares its commitment to ESG principles.
- 2 **Investment transparency** The fund discloses what it invests in and how it engages with the companies it invests in.
- 3 **Publishes ESG reports** The fund reviews and discloses its environmental, climate change and social impacts.
- 4 **Investment processes** The fund discloses the investment practices through which it implements ESG principles regarding how it invests.
- 5 **Performance** The fund achieves its investment objectives and competitive investment returns while satisfying the Sole Purpose Test as required by the Superannuation Industry (Supervision) Act 1993.

Other factors considered in Rainmaker's 2023 ESG review were a fund's net zero commitment, gender diversity among its management and senior executives, investment screening and the quality of portfolio holdings disclosures.

Advocacy and collaboration

TelstraSuper recognises that collaboration with other peer investors, stakeholders, industry associations, bodies and groups can significantly assist in achieving desired outcomes for investors over various important issues.

For this purpose, we maintain a number of strategic partnerships and regularly work with the broader industry to create effective networks and build our influence.

Over the past year, the Sustainable Investment team has participated in several events that promote sustainable investing to assist us in incorporating current ESG considerations throughout our investment processes.

These included:

- ACSI and RIAA's annual conferences
- The Shared Value Project ESG Investor forum
- Australian Government Modern Slavery Conference
- IGCC Summit and working group meetings
- Climate Action 100+ Working Group meetings
- PRI in-person 2022 conference
- Macquarie Biodiversity Summit
- 40:40 Vision working group meetings.



Proxy voting

As an active owner, TelstraSuper seeks to exercise all proxy votes for listed Australian shares and, through its external investment managers, its international shareholdings.

TelstraSuper maintains a Proxy Voting Dashboard that provides a high-level summary of voting activity and detailed information on how we voted on every resolution at company meetings.

Visit our Proxy Voting Dashboard at telstrasuper.com.au/proxyvoting



Championing responsible investing with RIAA

As part of our commitment to responsible investment, TelstraSuper has joined the Responsible Investment Association of Australasia (RIAA), Australia's largest network of responsible investors.

Representing around US\$29 trillion in assets under management, RIAA works to align capital with achieving a sustainable society, environment and economy.

Joining RIAA will provide TelstraSuper with further opportunities to enhance our approach to responsible investing through collaborative action. This includes participating in working groups that aim to shape and promote best practice protocols in responsible investing.



40:40 Vision spotlight

In October 2022, TelstraSuper became an Investor Signatory to the 40:40 Vision, an investor-led initiative aimed at achieving gender balance in executive leadership across Australia's largest listed companies.

40:40 Vision seeks to achieve gender balance – 40% women, 40% men and 20% any gender – across the senior leadership of all ASX300 companies by 2030.



- Women
- Men
- Any gender

Companies that sign on to the 40:40 Vision commit to the following:

- 1 Pledge to achieve gender balance (40:40:20) in executive leadership by 2030;
- 2 Declare medium and long-term gender targets;
- 3 Make their plan public to employees, shareholders, investors and the business community; and
- 4 Report annually on how they are tracking against targets.

Our approach to climate change

TelstraSuper believes that climate change is a systemic risk that needs to be managed to help provide a secure future for our current and future members. As a large investor, we can, where it is in the best financial interests of our members to do so, seek to influence what the future looks like while managing risk in our portfolios.

In March 2021, we announced our goal to achieve net zero greenhouse gas emissions within our investment portfolio by 2050, with an interim goal of reducing emissions by 45% by 2030. This commitment is consistent with our objective of helping to provide a secure financial future for members.

Our 2050 and interim emissions reduction goals align with what the scientific consensus informs us are required to limit global average temperature increases to below 2.0°C compared to pre-industrial levels. These goals align with those targets agreed upon by Australia and other nations under the Paris Agreement.

In 2021, we launched our Climate Change Action Plan (CCAP) to deliver on our goals. The CCAP sets out three high-level goals, as outlined below.

TelstraSuper's three climate-related goals

- 1 Achieve **net zero greenhouse gas emissions** by 2050, aiming for a 45% reduction (from 2020 levels) by 2030.
- 2 Build **portfolio resilience** to the physical impacts of climate change across asset classes.
- 3 **Proactively invest in opportunities expected** to be net beneficiaries of the transition to a net zero emissions world.

A **five-pillar framework**, as depicted below, was developed to guide TelstraSuper's actions to achieve these goals.

Five-pillar Climate Action Plan Framework



Our net zero by 2050 pathway

Disclosure of the first total portfolio quantitative report and a targeted **10% reduction** in listed equity assets' greenhouse gas (GHG) emissions.



20
25

Further **15% reduction** in combined GHG emissions of listed assets, alternatives (including private equity) and corporate debt.



Further **20% reduction** in portfolio GHG emissions of listed assets, alternatives (including private equity), corporate debt and real assets (infrastructure and property). Advocate and support economy-wide 45% reduction in GHG emissions in Australia.



20
40

Further **30% reduction** in combined GHG emissions of listed assets, alternatives (including private equity), corporate debt and real assets to achieve net zero GHG Emissions.



Remaining 25% reduction in total portfolio emissions to achieve net zero GHG Emissions.

20
50



Progress on our climate change plan

In April 2023, TelstraSuper released its second Climate Change Report, highlighting our progress on implementing our Climate Change Action Plan.

The second edition of our climate report provides updates on how we manage climate-related risks across our portfolio and the progress we have made in the key areas of emission reduction, building portfolio resilience and proactive investment.

It is pleasing to note that our work to reduce emissions across our listed asset portfolios has made good progress. We are ahead of our interim 2023 target to reduce emissions across our listed equity portfolios by 10%, having achieved a 23% reduction since 2020. This has resulted from asset allocation and portfolio construction decisions, particularly with respect to international equities.

In 2022, we also increased our engagement with the highest-emitting companies in our portfolio. While we have taken active steps to exclude investment in primary focus thermal coal producers, we believe there is some value in exposure to energy and resource companies, particularly those that have plans to transition to net zero, while delivering future-facing materials that enable transition.

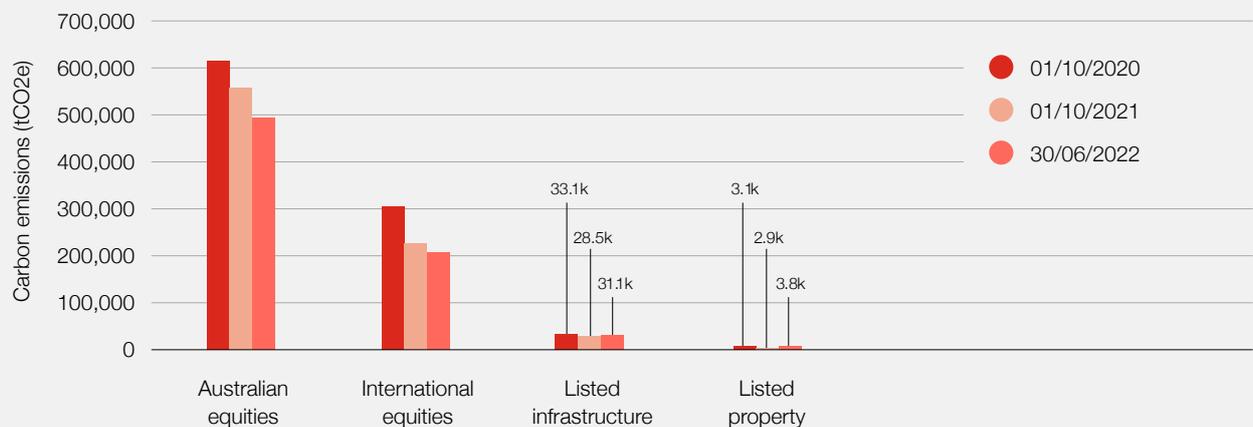
Through engagement and exercising our voting rights, we seek to keep these companies accountable for their clean energy transition plans and, where possible, use our influence to further progress their journey to decarbonisation.

TelstraSuper continues to evaluate new opportunities to invest in clean energy and new technologies that support decarbonisation. In December 2022, the Board agreed to establish a goal of investing a total of 1% of the Fund’s assets – around \$250 million – in climate change-focused opportunities by 2025. At 30 June 2022, our investments in renewable energy opportunities stand at over \$130m.



Read the full TelstraSuper Climate Change Report at telstrasuper.com.au/esg

Absolute carbon emissions listed portfolios



Investment spotlight

Atlas Renewable Energy

TelstraSuper's Alternatives investment portfolio has an investment in a Global Infrastructure Partners (GIP) fund that acquired a pan-Latin American renewables platform, Atlas Renewable Energy ("Atlas"), in 2022.

Atlas is at the forefront of renewables development in Latin America, with 2.2GW in solar assets in operations or under construction across Brazil, Chile, Mexico and Uruguay – making it the second largest renewables developer in the region.¹ The company primarily supplies renewable energy to large commercial and industrial clients under long-term bilateral agreements, supporting those businesses in their process of decarbonising their production chains and helping Latin America achieve sustainable economic development. The company also has a 6GW+ pipeline in Latin America and Spain, underpinning its prospects for near-term growth.

The company has been a pioneer in driving new trends in Latin American markets. On the commercial front, Atlas was the first to structure a USD-denominated Power Purchase Agreement (PPA) in Brazil, effectively establishing an important precedent and opening a new market for both industrial partners and other developers.

The company has also been able to secure PPAs with inflation linkage, offering compelling protection in the current macroeconomic environment. On the financing front, in December 2022, Atlas achieved another "first" by securing the first USD senior project financing provided by the local development bank BNDES in Brazil, which will serve as a springboard for the next wave of renewables development in the country.

Atlas won a number of regional and global industry awards in 2022 across several criteria and is a regional leader in ESG.

The company's commitment to high ESG standards is reflected through its various community outreach programs, a diverse workforce with around 40% female employees², and the majority of its construction workforce sourced from local communities.³ The company estimates that its operating projects have avoided 1.9 tons of CO₂ emissions since its initial fleet of assets began operations.

Finerge

TelstraSuper's infrastructure investment portfolio is invested in Igneo's European Diversified Infrastructure Fund (EDIF), which acquired Finerge in 2017.

For over 25 years, Finerge – Portugal's second-largest renewable energy producer – has worked to provide the world with access to more sustainable energy sources.

Finerge operates 70 wind farms and 17 photovoltaic solar plants located in more than 47 municipalities across Portugal and three provinces in Spain. More than 780 turbines harness the energy of the wind during the day and night, while thousands of photovoltaic modules collect energy from the sun. This energy is transformed into clean electricity at a rate of 3.514 GWh, which translates into a 1,149 kiloton reduction in CO₂ emissions released into the environment.

As part of the company's strategic positioning as a leading renewable energy producer, Finerge aims to promote innovative technologies that improve green energy production and accelerate the green and digital skills agenda in universities and research centres. In 2019, the company established the Finerge Innovation HUB, an online platform that improves renewable energy production through more effective operational control, allowing users to view data and make decisions on operational issues in a more efficient and timely manner.

Source: Igneo, finerge.pt

¹ GIP, Bloomberg New Energy Finance and other publicly available sources at the time of acquisition

² As at 1Q '22

³ Excluding La Pimienta Solar Plan

Protecting our members

Industry-leading insurance

Insurance available through super is an important component of our members' financial safety net. We aim to provide members with a sustainable, high quality and competitively-priced insurance product. The objective is to protect members against the risk of not being able to accumulate sufficient retirement savings for themselves or their dependents due to having to cease work due to injury, illness or death.

We provide Death, Total & Permanent Disability (TPD) and Income Protection (IP) insurance cover to TelstraSuper Corporate Plus, TelstraSuper Personal Plus and TelstraSuper RetireAccess (Death only cover) members and to Defined Benefit (DB) members where applicable.

The Trustee has determined that the insurance coverage compares favourably with other providers across most metrics, that the insurance strategy is appropriate for members and that the fees for default insurance do not inappropriately erode the retirement incomes of members.

Rating agency Chant West has rated TelstraSuper's insurance as being the Highest Quality with a '5 Apples' rating.

Importantly, our insurance offer has been recognised as being the best in the industry. We're proud to have been awarded Best Fund: Insurance in the 2022 Chant West Awards. The awards recognise our effort in ensuring every member can access cost-effective insurance cover suitable for their needs.



Securing competitive rates

A three-year premium rate from 1 July 2020 to 30 June 2023 was negotiated with the Fund's insurer, MLC Life Insurance, where insurance premium rates did not change during this timeframe.

Furthermore, TelstraSuper Income Protection insurance premiums decreased between 11.5% to 30% from 1 July 2023. We were also able to secure another three years of competitive rates for our Death and Total & Permanent Disablement (TPD) insurance cover.

This is a great outcome for TelstraSuper members, with rates to be fixed for another three years (except in very limited circumstances*).

We've also introduced Vivo by MLC Life Insurance[^], an exclusive and holistic health, wellness and recovery program. Vivo is available to our members and their immediate families[#] at no extra cost through our partnership with MLC Life Insurance.

 96%

of claims approved in 2022/23



We work closely with our insurer to get the best deal possible for members – without compromising on cover

* These circumstances include events such as war, legislative or regulatory changes, or significant changes to the TelstraSuper membership as defined by our policy.

[^] Insurance is issued by MLC Limited. MLC Limited uses the MLC brand under licence from the Insignia Financial Group. MLC Limited is part of the Nippon Life Insurance Group and is not a part of the Insignia Financial Group

[#] Immediate family members include your children (under parental supervision), your partner, your parents and your partner's parents. Access to immediate family members is limited to Vivo Virtual Care services. Mental Health Navigator is only available for those aged 18 years or older.



Member spotlight – Graeme

Enjoying his seventh year of retirement, Graeme's love of off-road travel is no barrier to his regular catch-ups with his TelstraSuper financial adviser, Nathan.

“ For my last annual check, I was in a bush camping ground in Tasmania. I was able to video link through to Nathan to go through the whole portfolio strategy, while I was sitting under an awning with the dog at my feet and a beer in my hands.

Getting financial advice was really, really important for the rest of our lives. I'm not a trained financial person. In my corporate career, I've dealt with a lot of financial areas, but they weren't superannuation financial areas.

Our main goal was not having to worry about finances for the rest of our lives, to be free of the burden of worrying about whether we have enough to pay the bills and get us through the week.

Nathan is very calm and measured. First and foremost is the feeling of trust. He was able to put structures in place, and he knows what our goals are and what we want to achieve out of life. He's proactive in doing things and looking at what's

best for us. Now we're actually getting some assistance from the pension, and I'm really comfortable that we have enough super in our account.

We probably spend four to five months a year travelling somewhere around Australia. We visit friends, colleagues and family that we haven't seen for years and years.

The best thing about being in retirement is just doing what we choose to do without any time pressure.”



Find out how TelstraSuper Financial Planning can help you achieve your retirement dreams by visiting telstrasuper.com.au/advice

Our member sentiment

Member feedback is important to us as it helps identify and prioritise opportunities to enhance and innovate to deliver the best experience for our members. We use the Net Promoter Score (NPS) and Customer Satisfaction calculated as part of the Investment Trends Super Member Engagement Report 2023 to track our performance against other superannuation funds.

TelstraSuper Net Promoter Score 2022

+24

The latest result was released in May 2023, with TelstraSuper performing exceptionally well, recording more robust member advocacy and loyalty, ranking 4th in the industry with an NPS of +24.



Best-in-class

- Phone customer service
- Ease of access to information



Ranked 2nd

- Online tools and calculators
- Keeping me informed
- Quality of other communications
- Website
- Annual member meeting



Ranked 3rd

- Value for money
- Helping me feel confident about my future
- Range of investment options
- Advice offering
- Investment Updates
- Quality of annual statement
- Video and educational material



We place members at the centre of everything we do

We're proud to have ranked 3rd for overall customer satisfaction, demonstrating our position as an industry leader in serving members. We believe our high industry ranking can be accredited to our range of fund initiatives and comparative investment returns to enhance our member experience. This is reflected in the high member ratings we received in multiple service areas measured.

Digital services: website, mobile app, online portal, tools, and calculators

97% of members registered for SuperOnline, compared to an industry median of 59%, with over 1.6 million logins across the year and an 8.6 out of 10 member satisfaction rating.

Contact centre

Internally hosted contact centre with a satisfaction rating of 8.4 out of 10.

Financial advice

Full advice service ranging from simple phone-based to comprehensive advice with comprehensive services scoring an 8.2 out of 10 satisfaction rating from members who have used it in the last 12 months.

Member education

Offered both online and in-person for member convenience and flexibility. High satisfaction of 8.2 out of 10 for education seminars.



Member spotlight – Jenni

Having worked in leadership roles across corporate strategy and communications, Jenni Barbour knows the value of planning ahead. Approaching her 50th birthday, Jenni decided it was time to start planning her retirement. She took up new hobbies and turned to TelstraSuper Financial Planning for advice on her finances.

“ My home was paid off, so I thought, what is my next priority? I had money in a savings account, but I wanted to know how to make my money work harder for me. I’m an expert in my field of strategy and communications, but I had no idea what I needed for retirement, so I realised I needed strategic financial advice.

Talking to Jeremy (from TelstraSuper Financial Planning) was a reality check. I realised I couldn’t have the retirement I wanted without putting additional measures in place. These weren’t fun conversations, but they were necessary conversations.

It’s comforting to have a strategy in place that means when I do retire down the track, I’ll be able to fund the life I want.

Markets go up and down, but that’s the point of having Jeremy in my life, as he can help keep me on track and course-correct if need be.

I didn’t want to wake up in retirement and feel uncertain about my future. I’ve taken up golf, I’ve completed the Australian Institute of Companies Directors’ Course with the view to serving on not-for-profit boards, and I’m volunteering at a soup kitchen every fortnight. A plan is coming together!” ”

Board of Directors

Telstra Super Pty Ltd has a Board of Directors responsible for the strategy and operations of the Fund and for ensuring TelstraSuper is being managed appropriately. The Board aims to ensure that members' interests are duly represented and that the Fund is administered according to its governing rules and applicable legislation. The Board consists of an equal number of employer and member representatives (referred to as 'Employer Representative Directors' and 'Member Representative Directors') and an Independent Chair. TelstraSuper's Board of Directors for the 2022/23 financial year is below.



Anne-Marie O'Loughlin AM
Independent Director/Chair

Ms O'Loughlin was appointed as an independent director and Chair of the Board in July 2019. She is also an independent director and Chair of Telstra Super Financial Planning Pty Ltd. She is also a Director of Bank Australia, Deputy Chair of the Ovarian Cancer Research Foundation and a member of the Australian Commonwealth Games Foundation Investment Committee.

Ms O'Loughlin has over 30 years of experience as a director and Chair and was formerly the Chief Executive Officer of HESTA, a national superannuation fund for the health and community services sector. Her previous directorships include Utilities of Australia, Victorian Superannuation Board, Australian Council for Superannuation Investors, Industry Super Australia, Women in Super, MCG Trust, Netball Australia, Peter McCallum Cancer Centre and Northern Health.

Ms O'Loughlin received recognition in the King's Birthday 2023 Honours List as a Member (AM) in the General Division of the Order of Australia for her significant service to the finance sector, to women, and to the community.

Appointed July 2019

Bronwyn Clere **Employer Representative Director**



Ms. Clere is currently the Operations Executive for the InfraCo business within Telstra. InfraCo is Telstra's market-facing asset-based business, and in this role, she oversees the national functions that design, construct, operate, maintain and service the substantial passive asset portfolio within Telstra, along with providing a range of ancillary business services.

Prior to joining Telstra in 2012, Ms. Clere worked predominantly in the financial services industry, where she has held transformation, operations management, finance and change roles with organisations such as JP Morgan in Australia and New Zealand, AIA in Hong Kong and AXA in Australia, New Zealand and the United Kingdom.

Ms Clere is a graduate of the Australian Graduate School of Management and has a Masters of Project Management award from the University of New South Wales.

Appointed December 2013

Gretchen Cooke **Employer Representative Director**



Ms Cooke leads the Secure Adaptive Infrastructure (SAI) Practice, which is part of Telstra Purple (the technology services business for Telstra Enterprise). SAI aims to help organisations achieve enterprise-wide transformation through cloud adoption, network modernisation and Cyber Security. Over 20 years at Telstra, Ms Cooke has led diverse sales portfolios, including Collaboration, Mobile, Managed Services, Security, Cloud and Network solutions, along with the Enterprise and government teams across Victoria and Tasmania.

She is deeply passionate about women in technology and customer-first thinking, with a focus on productivity, efficiency and growth.

Ms Cooke holds a Bachelor of Arts (Psychology & Economic History) from Deakin University, a Master of Business Administration from Melbourne Business School, and is a Graduate of the Australian Institute of Company Directors.

Appointed in March 2023

Steven Fousekas **Employer Representative Director**



Mr. Fousekas is the Executive, Financial Operations & Reporting at Telstra Limited. An experienced executive and director, he has held Chief Financial Officer /Finance Director and Business advisory positions across a range of sectors and geographies.

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

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

Appointed in November 2018

Graeme Smith **Employer Representative Director**



Mr Smith is the Executive, Mergers & Acquisitions at Telstra, where he leads the team that has responsibility for origination, structuring and execution of acquisitions and

divestments globally. The M&A team is also responsible for the development and execution of large cross-company initiatives aligned with Telstra's long-term strategic objectives.

Prior to joining Telstra, Mr Smith was a Senior Manager with KPMG in their Advisory division, specialising in preparing expert opinions on valuations, accounting and other investigative matters. Mr Smith holds a Bachelor of Business (Accounting) from the University of Technology in Sydney and a Graduate Diploma in Applied Finance and Investment from FINSIA.

Appointed in December 2020

Dahlia Khatab **Member Representative Director**



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

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

Appointed in June 2019

Nadine Flood **Member Representative Director**



Ms Flood worked for the Community and Public Sector Union (CPSU) in a variety of roles, including almost ten years as National Secretary. Ms Flood has been a Director at the Commonwealth Superannuation Corporation (CSC), and the Centre for Policy Development (CPD). She has also been a Vice-President of the ACTU and held a number of civil society roles. Currently, Ms Flood is a Board Member at Per Capita, which is an independent, progressive think tank.

Ms Flood holds a Bachelor of Economics from Macquarie University and has been recognised for the advancement of women, including the first enterprise agreement paying superannuation to women on unpaid parental leave and the first pay equity provision in the Australian Public Service lifting low-paid Aboriginal and Torres Strait Islander peoples and female-dominated agencies.

Appointed in July 2020

James Perkins
Member Representative Director



Mr. Perkins is currently the Assistant Divisional Secretary of the Communications division at the Communications Electrical and Plumbing Union (CEPU). He has held a variety of roles within the CEPU for the past 11 years, including Divisional Executive Member and National Councillor.

In his current role, Mr Perkins is responsible for the negotiation of national agreements and industrial and safety campaigns, as well as the oversight of the communications division governance, risk, financial and compliance requirements. Mr Perkins has spent many years advocating for the CEPU and its Members within the telecommunications industry.

Appointed in December 2020

Updated appointments

Meg Bonighton

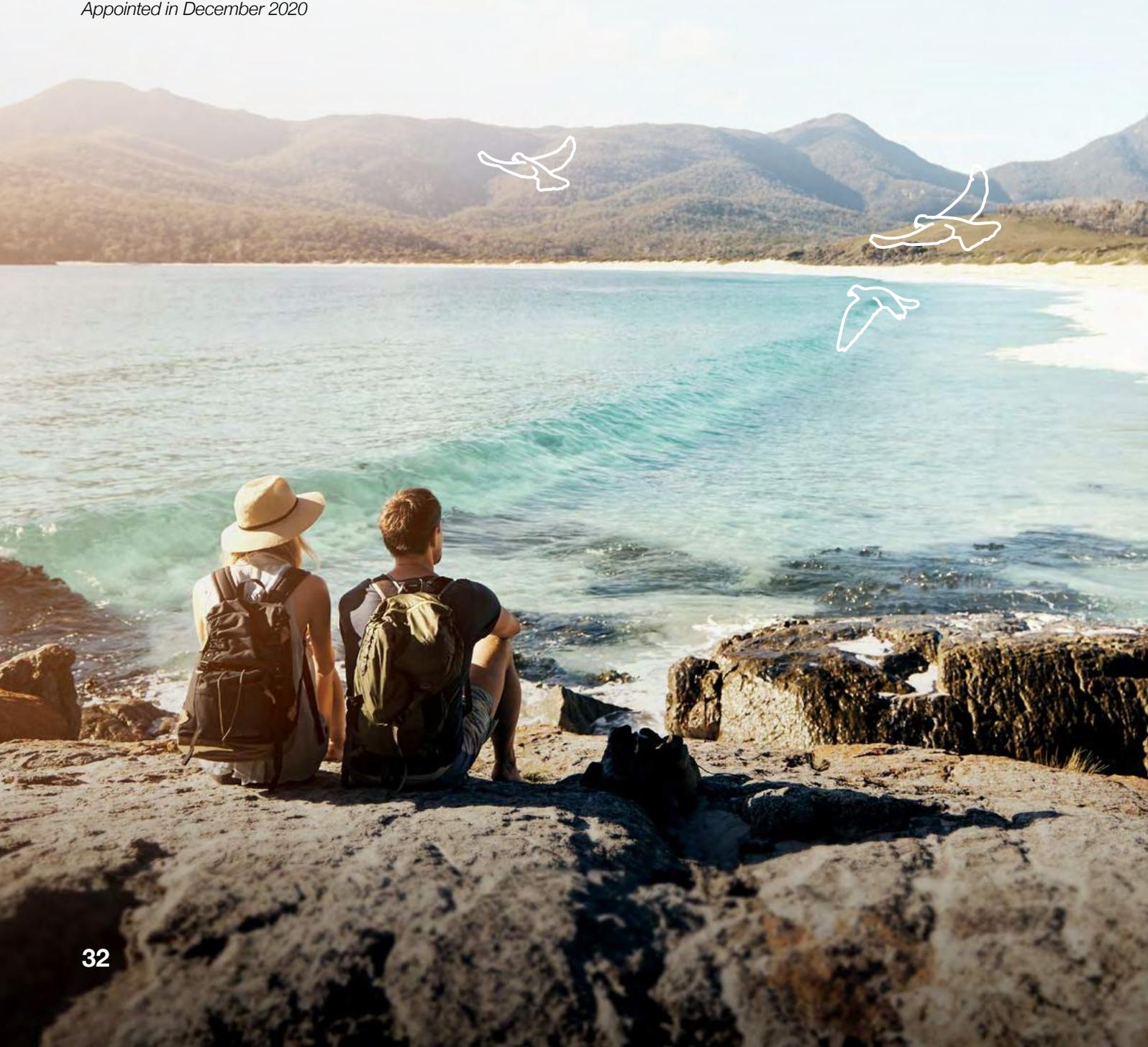
Resigned as Employer Representative Director
December 2022

Scott Connolly

Resigned as Member Representative Director
May 2023

Joseph Mitchell

Appointed Member Representative Director
July 2023



Executive team

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



Chris Davies
Chief Executive Officer

As Chief Executive Officer of TelstraSuper, Chris is responsible for the strategic direction of the Fund and overseeing its operational management to meet the needs of our members. Chris typically attends all Board Committees and is a director of TelstraSuper Financial Planning Pty Ltd.

Chris joined TelstraSuper in October 2013, having previously been Executive Manager, Member and Employer Solutions at UniSuper.

Chris holds a Bachelor of Arts (Economics) and a Bachelor of Laws and started his career practising law in a national firm before moving to the financial services sector. Chris' experience in the financial services industry has developed over 30 years with senior roles at BT Financial Group and Colonial First State.

Tim Anderson
Chief Customer Officer



As Chief Customer Officer, Tim is responsible for leading the provision of products and services to members. This includes responsibility for Marketing, Digital, Member Services, Product Management, Growth and Retention functions, including the Fund's Smart Income program.

Tim has held senior management positions at national, regional and global levels in a wide range of sectors, including superannuation, telecommunications and technology companies. He brings more than 18 years of experience in superannuation and has a deep understanding of accumulation, retirement and defined benefit products.

Tim was appointed to the role in February 2022. He previously held senior leadership positions at AustralianSuper, UniSuper and IOOF.

Paul Curtin
Chief Financial Officer



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

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

Kathryn Forrest **Executive General Manager** **– Operations**



Kathryn is responsible for the in-house operations for TelstraSuper. Working as part of the executive team, Kathryn embeds best practice systems and processes that continue to maintain TelstraSuper's reputation for excellence and industry-leading customer focus. She has over 30 years of experience in accumulation and defined benefit funds management, leading several large-scale transformation programs throughout her career. Kathryn joined TelstraSuper in January 2016, having been the National Manager for Employer Relationships at UniSuper.

Kathryn departed TelstraSuper in July 2023, with Karen Symes taking over responsibility for the operations unit.

Krithika Hansen **Chief People Officer**



As Chief People Officer, Krithika is responsible for all people and culture initiatives within TelstraSuper. This includes creating employee-focused programmes aimed at people development and building practices, strategies, and operations that drive impactful employee engagement and create strong cultures.

Krithika is a dynamic and experienced senior executive with deep expertise in People and Culture functions and broader business general management roles in both large and medium-sized organisations across America, Europe, Asia and Australia.

Krithika was appointed to her role at TelstraSuper in October 2021. She previously held roles at Pitcher Partners and BHP Billiton.

Bryony Hayes **Chief Risk Officer**



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

Bryony is an experienced executive in managing governance functions across global locations through strategic expansions and operational transformations. She holds a Bachelor of Arts/Laws (Hons).

Byrony was appointed to her role at TelstraSuper in February 2020. She previously held senior roles at VFMC, Hastings Fund Management, and Capital International. Prior to that she was in private legal practice.

Melinda Huggins **Executive General Manager,** **Financial Planning**



Melinda is responsible for leading the teams that support members seeking financial advice about their superannuation, investment, insurance, and retirement needs through TelstraSuper Financial Planning.

Melinda joined TelstraSuper in 2023 and holds a Bachelor of Arts majoring in politics from the University of New England.

She has more than 30 years of experience in senior roles across the financial services industry, including ANZ, AMP, Perpetual and Macquarie Bank.

Graeme Miller **Chief Investment Officer**



Graeme leads the TelstraSuper investment management team that manages around \$25 billion in retirement savings for members. This includes a diversified range of investments managed by internal and external investment professionals.

Graeme works closely with the Investment Committee to set investment objectives, formulate investment strategies and implement investment portfolios. Graeme's team includes specialists in investment strategy, equities, fixed interest, real assets and alternative investments. It also includes a specialist sustainable investment team.

With more than 30 years of experience in the financial services industry, Graeme is a proven leader who has a history of generating strong, long-term returns. Graeme joined TelstraSuper in May 2016, having previously held senior roles at Mercer and Willis Towers Watson.

Steve Miller
Chief Legal Officer



Steve is responsible for providing legal counsel and policy advice to the Board, CEO, and Executive team. He is responsible for ensuring that the Fund operates within a robust legal and governance framework, with overall carriage of legal matters impacting every operational area of TelstraSuper and TelstraSuper Financial Planning. Steve is also the Fund's Privacy Officer.

Steve joined TelstraSuper in 2002 and was appointed to the Executive team in 2008. He has over 25 years of superannuation legal experience across in-house and private practice environments in Australia and the UK and has been admitted in both jurisdictions. Prior to joining TelstraSuper, Steve practised in the Melbourne office of a national law firm.

Karen Symes
**Chief Technology and
Operations Officer**



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

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

Her most recent role was Chief Information & Innovation Officer at Guild Group Holdings, with similar executive and senior roles held at Equity Trustees and ANZ Bank. Karen also served on the board of Early Childhood Management Services Inc. from 2006 to 2011.

In July 2023, Karen was appointed as the Chief Technology and Operations Officer, taking on responsibility for both units.



An industry-leading fund

TelstraSuper continues to be recognised as an industry-leading super fund. Our offering is designed to support members from their first job right through to retirement. We deliver cost-effective super products without compromising on service. We're proud to share some of the recognition we've received over the last year.

Chant West

We were pleased to be named the Chant West Pension Fund of the Year 2022 and 2023.

This is the second time we've won this award in recognition of the work we are doing in the pre-retirement and retirement space, helping our members achieve retirements better than they could imagine.

In presenting the award, Chant West highlighted the strength of the Fund's investment capability, dedicated Guidance Specialist team and range of leading digital tools and calculators.

TelstraSuper also won the award for Best Fund: Insurance 2022. We are proud to offer members cost-effective insurance cover that is suitable for their needs. Criteria for this award included consideration of premiums, policy conditions and appropriateness of design.

Chant West awarded our accumulation and pension products its highest ranking of '5 Apples'.

SuperRatings

TelstraSuper retained its top Platinum rating for another year running – recognising us as the "Best Value for Money" super fund. We've now held this rating for 19 years straight, a huge achievement for the Fund.

SuperRatings also awarded us Pension of the Year 2023 in recognition of our tailored retirement solutions, focus on innovation and digital capabilities, coupled with our strong advice and support services.

Furthermore, we were awarded the 2022 Momentum Awards, recognising our innovative approach to finding better and smarter solutions for our members – including our personalised digital offering and trailblazing work in the transition to retirement and retirement space.

Money Magazine

We were awarded Highest Super Performer[#] and Best Property Superannuation Product[^] by Money Magazine in the 2023 Best of the Best Awards. These awards recognise our property investment option to be the highest-performing superannuation product over 1, 3, 5 and 10 years.

Rainmaker

TelstraSuper has been named a 2022 ESG Leader Super fund by Rainmaker.[†] The ESG Leader Rating recognises Australia's best super funds that are implementing environmental, social and governance (ESG) principles to a high level while having a track record of strong investment performance.

We also received the top AAA Quality Rating that reviews our fund across a range of benchmarks, including organisation strength, communications, administration, fees, investment performance and more.

[#] Number one performing superannuation product across all asset classes and investment styles ranked by weighted ranking of performance taking into account performance over 1, 3, 5 and 10 years. Product may be geared and prone to extreme levels of investment risk. Must have at least 3 year performance, be public offer and AAA rated by SelectingSuper.

[^] Number one property superannuation product ranked by best weighted ranking of performance taking into account performance over 1, 3, 5 and 10 years. Must have at least 3 year performance, be public offer and AAA rated by SelectingSuper.

[†] <https://www.rainmaker.com.au/media-release/2022-esg-leader-super-funds-announced>

Our 2023 performance snapshot

It's been a strong financial year for investment returns, with TelstraSuper's latest results confirming the benefits of portfolio diversification for members.

In the year to 30 June 2023, TelstraSuper exceeded all investment objectives across all our diversified options, delivering strong gains despite periods of volatility due to ongoing economic uncertainty and geopolitical tensions.

Accumulation members

Growth option	Return (p.a)
10 Year	8.86%
5 Year	7.31%
3 Year	10.45%
1 Year	11.53%

Balanced option	Return (p.a)
10 Year	7.73%
5 Year	6.22%
3 Year	8.75%
1 Year	9.34%

Conservative option	Return (p.a)
10 Year	5.34%
5 Year	3.91%
3 Year	4.42%
1 Year	4.81%

RetireAccess members

Lifestyle Growth option	Return (p.a)
10 Year	9.79%
5 Year	8.26%
3 Year	11.89%
1 Year	11.46%

Lifestyle Balanced option	Return (p.a)
10 Year	8.62%
5 Year	7.00%
3 Year	9.84%
1 Year	9.73%

Lifestyle Conservative option	Return (p.a)
10 Year	5.95%
5 Year	4.43%
3 Year	5.04%
1 Year	4.73%

All returns are to 30 June 2023. The Accumulation investment returns are net of indirect investment costs and investment taxes, but before the deduction of any applicable administration fee, indirect administration costs or rebate. The TelstraSuper RetireAccess investment returns are net of indirect investment costs but before the deduction of any applicable indirect administration cost, administration fee or rebate.

Past performance is not a reliable indicator of future performance.

^Based on Monthly SuperRatings Fund Crediting Rate Survey Comparison over a one and ten-year period up to 30 June 2022, which you can only access by registering on the SuperRatings website. For further information about SuperRatings ratings and methodologies, go to superratings.com.au.

The experts in employer super

TelstraSuper has been delivering leading corporate super solutions and premium services for more than 30 years. We are trusted by some of Australia's most recognised brands as their fund of choice and are pleased to be welcoming new employers of all sizes to the Fund.

From the innovative investments we make to the personalised help we provide, we pride ourselves on our leading superannuation services for employers, their employees and our members.

We have over 20,000 participating employers and partner with businesses who share our values and recognise that superannuation and financial well-being is a valuable dimension of the employee value proposition.

Ways TelstraSuper adds value for employers

Tailored insurance – We have the flexibility to tailor insurance to meet employer and employee needs with both competitive salary-linked and age-based insurance solutions.

Local and dedicated administration – Our administration is in-house and local, meaning members will talk to a dedicated fund specialist. And with support offices around the country, advice is easy to find. We consistently get a big tick from our members with high scores in the 'Easy to deal with' category.*

Sustainable Investment Policy – TelstraSuper is committed to enhancing and protecting our members' long-term investment outcomes. Our sustainable investment strategy applies to all the assets in which the Fund invests, other than derivatives^.

Digital-first solutions – Our innovative approach provides industry-leading member experiences, including 24/7 access to personalised content, tools and calculators. We're proud to have rated best-in-class for 'Ease of access to information' and top 2 for 'Website, online tools and calculators'.*

Specialist education and advice – Our industry-leading financial advice, from simple to comprehensive and tailored member education programs (delivered online and in person), can help employees understand their financial well-being and make the most of their super.

Backed up by industry recognition

TelstraSuper has a demonstrated elite performance and achievement history stretching over more than thirty years.



To see all our awards, visit telstrasuper.com.au/awards



Our people – our heartbeat

Our mission as an employer is to continue to build an inclusive and vibrant workplace that encourages everyone to voice their ideas, ask questions and do and be their best every day so we can continue to support our members. We exist for our members, after all, and we understand that we can't achieve anything for them if we're not looking after the people who make it all happen.

The launch of our first Reconciliation Action Plan

One of the biggest projects we've delivered over the past 12 months has been our Reflect Reconciliation Action Plan (RAP), which we're proud to have launched in March 2023 in collaboration with Reconciliation Australia.

The Reflect RAP lays the foundations for our reconciliation activities and prepares us as we build on our reconciliation journey and future initiatives. It focuses on relationships, respect and opportunities that allow us to align our reconciliation commitments with our business objectives.

While compulsory super has been around for more than 30 years, Aboriginal and Torres Strait Islander peoples still have poorer super outcomes than non-Indigenous Australians. The RAP formalises our commitment to serving First Nations communities and members so they, too, can have the best possible retirement outcomes.

Our RAP artwork was designed by First Nations artist Kamara Morgan, who was chosen by our people. Kamara designed a piece that represents community and coming together as one for reconciliation. The piece is on display in our Melbourne office, and we have commissioned additional artwork to be displayed in our other offices.

Part of our RAP commitment has been the continued support of First Nations businesses, and we've partnered with a number of organisations this year, including Kooya as one of our novated lease providers, Little Rocket for our design needs, including the design of our Reflect RAP, and Bunji Catering, a First Nations catering company, for in-house catering.

Championing diversity and inclusion

Along with our work on our RAP, we've continued our work to champion diversity and inclusion across the Fund and in our communities.

This year, CEO Chris Davies and Chief People Officer Krithika Hansen were named Advocates for G20 Empower, a private-sector alliance for the empowerment and progression of women's economic representation.



G20 Empower is about using the knowledge and influence of Advocates to build more inclusive and empowered organisations and communities.

We're also proud to have been recognised for the fourth consecutive year as a Workplace Employer of Choice for Gender Equality by the Workplace Gender Equality Agency (WGEA), and CEO Chris Davies has continued in his role as Pay Equity Ambassador.

To support our people in their learning and development, we launched our mentoring program MentorMe, pairing mentees with leaders across the business to learn and grow from each other's experiences and knowledge. We also continued our Elevate Leadership program to help build leadership skills across our management team. We have had 63 leaders, including our Executive team, graduate from the program.

We celebrated a number of important occasions, including NAIDOC Week, Men's Health Week, R U OK? Day, International Women's Day, National Reconciliation Week and continued our support of the Women in Super Mother's Day Classic, with our people raising almost \$7,000 and a team of 30 competing in the event.

One of our biggest celebrations over the year was Pride Month in June. We held two information sessions facilitated by one of our diversity and inclusion partners, Pride in Diversity; we fundraised for Transcend Australia and held an eventful and fun Drag Queen Bingo session in the Melbourne office.



Monthly charity raffle

Every month, we hold a morning tea and raffle draw, selling raffle tickets to our people to raise money for a cause or charity. Over the year, our people supported more than ten organisations, including **Pets of the Homeless, First Nations Foundation, Youth Projects, Safe Steps**, and disaster relief efforts in Syria, Turkey and New Zealand, raising over \$21,000.

YourVoice Employee Engagement Survey

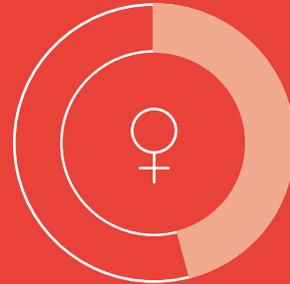
Our YourVoice Employee Engagement Survey is an opportunity for our people to share their thoughts on what we're doing well and areas of opportunity as an employer. Our completion rate this year was 86%, and our overall engagement score was 72, up two points from last year. We also received a record number of comments (1,079) this year. This year, we collected select demographic data, including first language and gender identity, for the first time.

Our highest three scores were Diversity & Inclusion (92), Our Culture (84) and Confidence in Leaders (82).

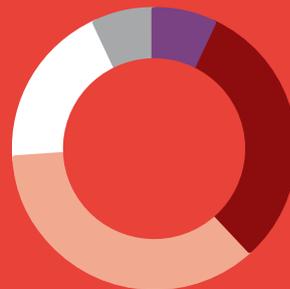
Highest-scored question

96% of employees agree:
At TelstraSuper, gender-based harassment and sexual harassment are not tolerated

Demographics (as of 30 June 2023)

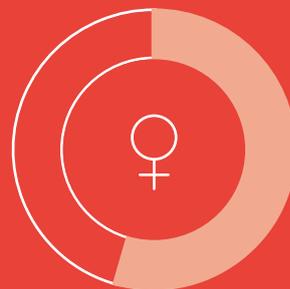


46% of our people are female



Age range

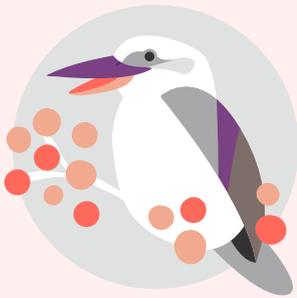
- 20-29 (6%) ● 50-59 (23%)
- 30-39 (26%) ● 60+ (8%)
- 40-49 (36%)



55% of Board members are female

Based on employee feedback, we identified three focus areas of opportunity for the year ahead to continue to improve our employee experience:

- 1 Building a culture of feedback** – upskilling our people and creating more opportunities for constructive feedback that will help them develop and progress in their careers.
- 2 Reward and recognition** – reviewing and uplifting our current employee reward and recognition practices and looking for opportunities to offer additional benefits and recognition to our people.
- 3 Office environment** – continuing to build on our hybrid working principles and upgrading our systems and processes so our people feel supported to work effectively and efficiently no matter where they are.



Hello Kora!

In early 2023, we relaunched our intranet homepage with a new look and new name, Kora, which is an Indigenous word for companion. Kora makes it easier for people to find what they need with better navigation, useful links and a news centre to aid collaboration and share what's happening so our people can stay up to date.

Looking ahead

Over the last 12 months, we've been working on a number of key projects to support our people, which will all be launched in the first half of the 2023/24 financial year.

- A new **Employee Value Proposition** – which shares the employee experience we deliver at TelstraSuper and how we'll work with our people to create rewarding and challenging careers.
- A new set of **organisation values*** – to describe the way we work and the behaviours we live by every day.
- A new **Employee Assistance Program (EAP) app** – through a partnership with an industry leader to deliver an all-encompassing wellbeing and employee assistance program to support our people and their families, not just in times of difficulty but proactively encourage good health and wellbeing habits and mental resilience.
- Our new **Diversity & Inclusion Strategy** – with specific diversity factors and a clearer focus on actions to move us forward.
- A new **Capability Framework** – which will support individual development and career progression for our people.

*Over the last year, we conducted extensive research through employee workshops and feedback sessions to develop a new set of five values that reflect the behaviours and attitudes of our people and business. Our new values were launched in September 2023 and have been included in this Annual Report on page 4.



Investment options

Growth option

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.

Return objective

Outperform CPI+3.5% p.a.

Investment time frame

7 to 10 year periods.

Risk objective

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

Balanced option

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.

Return objective

Outperform CPI+3% p.a.

Investment time frame

5 to 10 year periods.

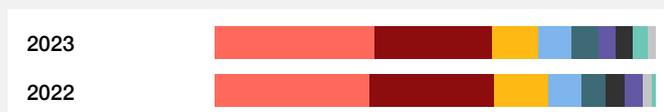
Risk objective

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement
10 Year	8.86%
7 Year	8.56%
5 Year	7.31%
3 Year	10.45%
1 Year	11.53%

Asset allocation

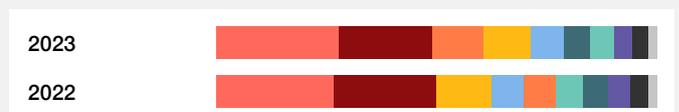


	2023	2022
International Shares	36.18%	34.92%
Australian Shares	26.52%	28.44%
Unlisted Property Trusts	10.70%	12.27%
Infrastructure	7.43%	7.43%
Private Markets	6.05%	5.62%
Alternative Debt	4.04%	4.08%
Opportunities	3.82%	4.16%
Cash	3.33%	0.95%
Listed Property Trusts	1.86%	2.06%
Hedge Funds	0.07%	0.07%

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement
10 Year	7.73%
7 Year	7.24%
5 Year	6.22%
3 Year	8.75%
1 Year	9.34%

Asset allocation



	2023	2022
International Shares	27.76%	26.64%
Australian Shares	21.01%	23.22%
Diversified Fixed Interest	11.78%	7.25%
Unlisted Property Trusts	10.75%	12.40%
Infrastructure	7.44%	7.41%
Private Markets	6.08%	5.58%
Cash	5.35%	6.20%
Alternative Debt	4.06%	5.09%
Opportunities	3.83%	4.08%
Listed Property Trusts	1.87%	2.06%
Hedge Funds	0.07%	0.07%

Investment strategies, return objectives, investment time frames and risk objectives are shown for the reporting period ending 30 June 2023. Actual asset allocations are shown as at 30 June 2022 and 30 June 2023 and will vary from time to time. For up-to-date information about the characteristics of the investment option, please refer to your relevant Product Disclosure Statement.

TelstraSuper RetireAccess investment returns are different to Accumulation and Transition to Retirement (TTR) member returns because TelstraSuper RetireAccess returns are not subject to tax. The accumulation investment returns are net of indirect investment costs and investment taxes but before the deduction of any applicable administration fee, indirect administration costs or rebate. The TelstraSuper RetireAccess investment returns are net of indirect investment costs but before the deduction of any applicable indirect administration cost, administration fee or rebate. Lifestyle investment options (Lifestyle Growth, Lifestyle Balanced, Lifestyle Moderate and Lifestyle Conservative) only apply to TelstraSuper Retirement income stream members. Past performance is not a reliable indicator of future performance.

Diversified Income option

Investment strategy

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

Return objective

Outperform CPI+2% p.a.

Investment time frame

4 to 8 year periods.

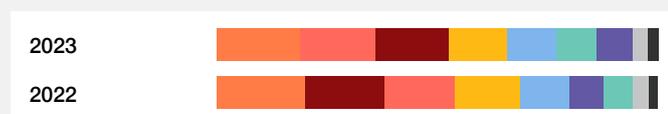
Risk objective

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement
10 Year	6.33%
7 Year	6.00%
5 Year	5.24%
3 Year	6.27%
1 Year	7.31%

Asset allocation



	2023	2022
Diversified Fixed Interest	18.72%	19.90%
International Shares	17.13%	15.97%
Australian Shares	16.63%	17.95%
Unlisted Property Trusts	13.04%	14.69%
Infrastructure	11.30%	11.23%
Cash	9.26%	6.44%
Alternative Debt	8.14%	7.97%
Listed Property Trusts	3.26%	3.57%
Opportunities	2.52%	2.28%

Defensive Growth option

Investment strategy

The Defensive Growth option is uniquely structured to adjust its exposure to a range of growth and defensive assets, based on the performance and confidence of investment markets at any point in time. When investing in growth assets, it does so in a way that aims to reduce volatility. For example, by investing in stable businesses with long histories of reliable cash flows and profitability.

Return objective

Outperform CPI+2% p.a.

Investment time frame

4 to 8 year periods.

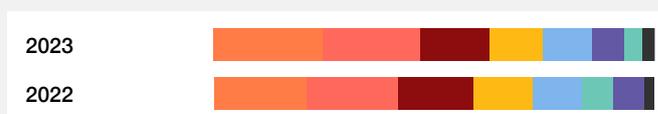
Risk objective

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement	RetireAccess returns
10 Year	6.95%	7.60%
7 Year	6.20%	6.84%
5 Year	5.34%	5.94%
3 Year	6.16%	6.77%
1 Year	8.02%	8.85%

Asset allocation



	2023	2022
Diversified Fixed Interest	24.66%	20.94%
International Shares	22.23%	20.91%
Australian Shares	15.61%	16.94%
Unlisted Property Trusts	12.04%	13.42%
Infrastructure	11.30%	11.21%
Alternative Debt	7.13%	7.01%
Cash	4.29%	7.06%
Opportunities	2.67%	2.44%
Hedge Funds	0.07%	0.07%

Conservative option

Investment strategy

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

Return objective

Outperform CPI+1% p.a.

Investment time frame

3 to 10 year periods.

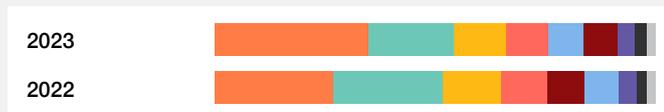
Risk objective

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement
10 Year	5.34%
7 Year	4.63%
5 Year	3.91%
3 Year	4.42%
1 Year	4.81%

Asset allocation



	2023	2022
Diversified Fixed Interest	34.74%	26.72%
Cash	19.46%	25.00%
Unlisted Property Trusts	11.85%	13.14%
International Shares	9.52%	10.33%
Infrastructure	8.11%	7.78%
Australian Shares	7.54%	8.58%
Alternative Debt	4.09%	3.95%
Opportunities	2.69%	2.41%
Listed Property Trusts	1.93%	2.02%
Hedge Funds	0.07%	0.07%

Australian Shares option

Investment strategy

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

Return objective

Outperform CPI+3.5% p.a.

Investment time frame

8 to 10 year periods.

Risk objective

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement	RetireAccess returns
10 Year	8.68%	9.52%
7 Year	9.04%	10.07%
5 Year	7.27%	8.14%
3 Year	11.87%	13.28%
1 Year	13.95%	15.43%

Asset allocation



	2023	2022
Australian Shares	100.00%	100.00%

International Shares option

Investment strategy

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

Return objective

Outperform CPI+3.5% p.a.

Investment time frame

8 to 10 year periods.

Risk objective

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement	RetireAccess returns
10 Year	9.71%	10.40%
7 Year	9.46%	10.07%
5 Year	7.78%	8.19%
3 Year	10.77%	11.36%
1 Year	18.84%	20.74%

Asset allocation



	2023	2022
● International Shares	100.00%	100.00%

Property option

Investment strategy

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

Return objective

Outperform CPI+3% p.a.

Investment time frame

5 to 7 year periods.

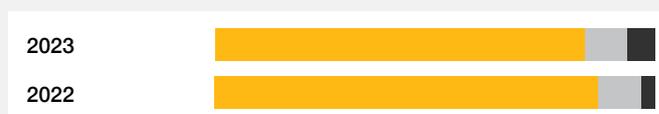
Risk objective

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement	RetireAccess returns
10 Year	9.88%	9.52%
7 Year	8.84%	9.55%
5 Year	7.98%	8.41%
3 Year	9.65%	9.93%
1 Year	0.50%	0.54%

Asset allocation



	2023	2022
● Unlisted Property Trusts	84.03%	87.02%
● Listed Property Trusts	9.59%	9.62%
● Opportunities	6.52%	3.36%

Fixed Interest option

Investment strategy

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

Return objective

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

Investment time frame

4 to 8 year periods.

Risk objective*

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement	RetireAccess returns
10 Year	2.06%	2.34%
7 Year	0.91%	1.01%
5 Year	0.25%	0.24%
3 Year	-2.44%	-2.90%
1 Year	0.99%	1.17%

Asset allocation



	2023	2022
● Diversified Fixed Interest	100.00%	100.00%

Cash option

Investment strategy

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

Return objective

Accumulation and TTR income stream members: Outperform the Bloomberg AusBond Bank Bill Index, adjusted for tax.[†]

RetireAccess members: Outperform the Bloomberg AusBond Bank Bill Index.[†]

Investment time frame

0 to 2 year periods.

Risk objective

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement	RetireAccess returns
10 Year	1.71%	1.97%
7 Year	1.42%	1.65%
5 Year	1.25%	1.46%
3 Year	1.09%	1.27%
1 Year	2.73%	3.21%

Asset allocation



	2023	2022
● Cash	100.00%	100.00%

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

Direct Access option

Investment strategy

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

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

Return objective

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

Investment time frame

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

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

Risk objective

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

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

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

Long-term strategic investment mix

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

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

MySuper Conservative

Investment strategy

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

Return objective

Outperform CPI+1% p.a.

Investment time frame

3 to 10 year periods.

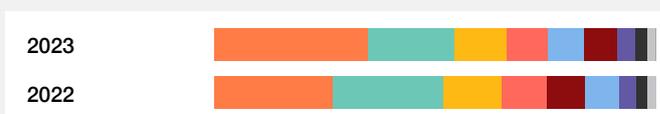
Risk objective

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement
10 Year	5.34%
7 Year	4.63%
5 Year	3.91%
3 Year	4.42%
1 Year	4.81%

Asset allocation



	2023	2022
● Diversified Fixed Interest	34.74%	26.72%
● Cash	19.46%	25.00%
● Unlisted Property Trusts	11.85%	13.14%
● International Shares	9.52%	10.33%
● Infrastructure	8.11%	7.78%
● Australian Shares	7.54%	8.58%
● Alternative Debt	4.09%	3.95%
● Opportunities	2.69%	2.41%
● Listed Property Trusts	1.93%	2.02%
● Hedge Funds	0.07%	0.07%

MySuper Growth

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.

Return objective

Outperform CPI+3.5% p.a.

Investment time frame

7 to 10 year periods.

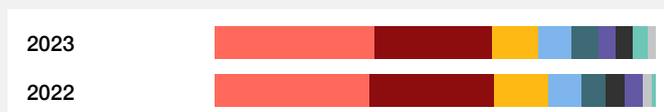
Risk objective

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement
10 Year	8.86%
7 Year	8.56%
5 Year	7.31%
3 Year	10.45%
1 Year	11.53%

Asset allocation



	2023	2022
International Shares	36.18%	34.92%
Australian Shares	26.52%	28.44%
Unlisted Property Trusts	10.70%	12.27%
Infrastructure	7.43%	7.43%
Private Markets	6.05%	5.62%
Alternative Debt	4.04%	4.08%
Opportunities	3.82%	4.16%
Cash	3.33%	0.95%
Listed Property Trusts	1.86%	2.06%
Hedge Funds	0.07%	0.07%

MySuper Balanced

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.

Return objective

Outperform CPI+3% p.a.

Investment time frame

5 to 10 year periods.

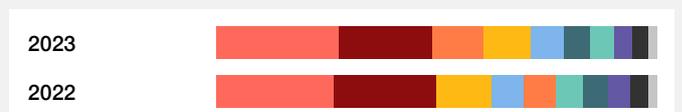
Risk objective

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

Performance

Year to 30 June 2023	Accumulation and Transition to Retirement
10 Year	7.73%
7 Year	7.24%
5 Year	6.22%
3 Year	8.75%
1 Year	9.34%

Asset allocation



	2023	2022
International Shares	27.76%	26.64%
Australian Shares	21.01%	23.22%
Diversified Fixed Interest	11.78%	7.25%
Unlisted Property Trusts	10.75%	12.40%
Infrastructure	7.44%	7.41%
Private Markets	6.08%	5.58%
Cash	5.35%	6.20%
Alternative Debt	4.06%	5.09%
Opportunities	3.83%	4.08%
Listed Property Trusts	1.87%	2.06%
Hedge Funds	0.07%	0.07%

Lifestyle Growth

Only available for Retirement income stream members

Investment strategy

The Lifestyle 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.

Return objective

Outperform CPI + 4% p.a.

Investment time frame

7 to 10 year periods.

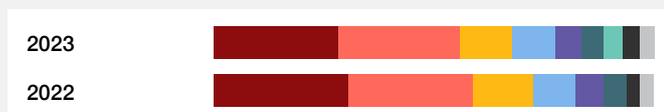
Risk objective

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

Performance

Year to 30 June 2023	RetireAccess return
10 Year	9.79%
7 Year	9.56%
5 Year	8.26%
3 Year	11.89%
1 Year	11.46%

Asset allocation



	2023	2022
Australian Shares	28.14%	29.63%
International Shares	27.67%	27.15%
Unlisted Property Trusts	11.97%	13.71%
Infrastructure	9.64%	9.66%
Alternative Debt	6.07%	6.03%
Private Markets	4.95%	5.58%
Cash	4.41%	0.58%
Opportunities	3.83%	3.97%
Listed Property Trusts	3.25%	3.62%
Hedge Funds	0.07%	0.07%

Lifestyle Balanced

Only available for Retirement income stream members

Investment strategy

The Lifestyle 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.

Return objective

Outperform CPI + 3.5% p.a.

Investment time frame

5 to 10 year periods.

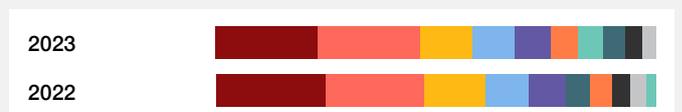
Risk objective

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

Performance

Year to 30 June 2023	RetireAccess returns
10 Year	8.62%
7 Year	8.12%
5 Year	7.00%
3 Year	9.84%
1 Year	9.73%

Asset allocation



	2023	2022
Australian Shares	23.12%	24.80%
International Shares	23.03%	22.31%
Unlisted Property Trusts	12.02%	14.02%
Infrastructure	9.57%	9.77%
Alternative Debt	8.12%	8.27%
Diversified Fixed Interest	6.34%	4.99%
Cash	5.65%	2.36%
Private Markets	4.96%	5.61%
Opportunities	3.84%	4.14%
Listed Property Trusts	3.28%	3.65%
Hedge Funds	0.07%	0.08%

Lifestyle Moderate

Only available for Retirement income stream members

Investment strategy

The Lifestyle Moderate option invests in 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 cashflows and profitability.

Return objective

Outperform CPI + 2.5% p.a.

Investment time frame*

4 to 8 year periods.

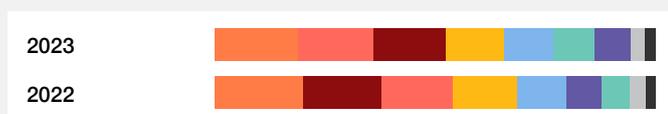
Risk objective

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

Performance

Year to 30 June 2023	RetireAccess returns
10 Year	7.04%
7 Year	6.70%
5 Year	5.69%
3 Year	6.96%
1 Year	8.11%

Asset allocation



	2023	2022
Diversified Fixed Interest	18.72%	19.90%
International Shares	17.13%	15.97%
Australian Shares	16.63%	17.95%
Unlisted Property Trusts	13.04%	14.69%
Infrastructure	11.30%	11.23%
Cash	9.26%	6.44%
Alternative Debt	8.14%	7.97%
Listed Property Trusts	3.26%	3.57%
Opportunities	2.52%	2.28%

Lifestyle Conservative

Only available for Retirement income stream members

Investment strategy

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

Return objective

Outperform CPI + 1.5% p.a.

Investment time frame*

3 to 10 year periods.

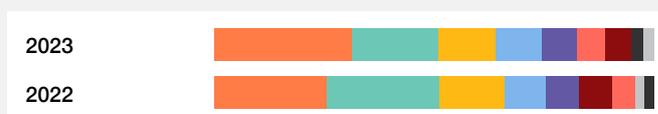
Risk objective

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

Performance

Year to 30 June 2023	RetireAccess returns
10 Year	5.95%
7 Year	5.23%
5 Year	4.43%
3 Year	5.04%
1 Year	4.73%

Asset allocation



	2023	2022
Diversified Fixed Interest	31.26%	24.95%
Cash	19.60%	24.93%
Unlisted Property Trusts	13.12%	14.39%
Infrastructure	10.29%	9.97%
Alternative Debt	8.19%	7.96%
International Shares	6.35%	5.58%
Australian Shares	6.02%	7.22%
Opportunities	2.69%	2.41%
Listed Property Trusts	2.41%	2.52%
Hedge Funds	0.07%	0.07%

Comparing our performance

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

Most of our investment options outperformed the median over five and ten years. This long-term trend of out-performance continues, with eight options outperforming the median over ten years.†

TelstraSuper Corporate Plus & Personal Plus	5 years	5 years median	10 years	10 years median
Growth	7.31%	6.92%	8.86%	8.64%
Balanced	6.22%	5.88%	7.73%	7.32%
Diversified Income‡	5.24%	4.26%	6.33%	5.77%
Defensive Growth	5.34%	4.61%	6.95%	6.04%
Conservative	3.91%	3.14%	5.34%	4.51%
International Shares	7.78%	8.60%	9.71%	10.37%
Australian Shares	7.27%	7.18%	8.68%	8.68%
Property	7.98%	3.53%	9.88%	6.99%
Fixed Interest	0.25%	0.46%	2.06%	2.09%
Cash	1.25%	1.18%	1.71%	1.57%

TelstraSuper RetireAccess	5 years	5 years median	10 years	10 years median
Lifestyle Growth	8.26%	7.59%	9.79%	9.44%
Lifestyle Balanced	7.00%	6.48%	8.62%	8.20%
Lifestyle Moderate	5.69%	4.98%	7.04%	6.61%
Defensive Growth	5.94%	5.14%	7.60%	6.61%
Lifestyle Conservative	4.43%	3.45%	5.95%	5.08%
International Shares	8.19%	9.25%	10.40%	11.38%
Australian Shares	8.14%	8.08%	9.52%	9.87%
Property	8.41%	3.18%	10.82%	7.39%
Fixed Interest	0.24%	0.49%	2.34%	2.44%
Cash	1.46%	1.35%	1.97%	1.84%

Investment Returns for the period ending June 2023. The latest returns and investment updates can be found at telstrasuper.com.au/investments

† Source: SuperRatings Fund Crediting Rate Survey, June 2023. Find out more at superratings.com.au/ratings

‡ Notional returns have not been included as the structure of the Diversified Income option is not based on the performance of a single index.

The investment return for the Diversified Income option has been calculated on the basis of daily movements in 'sell' unit prices and distributions payable to members, as if distributions are reinvested in the option's asset pool. Distributions are not actually reinvested. They are paid into the accounts of eligible members effective the first business day of each calendar month and are invested in the Cash option. Past distributions are not a reliable indicator of future distributions. Distributions are not guaranteed.

The accumulation investment returns are net of indirect investment costs and investment taxes but before the deduction of any applicable administration fee, indirect administration costs or rebate. The TelstraSuper RetireAccess investment returns are net of indirect investment costs but before the deduction of any applicable indirect administration cost, administration fee or rebate. Returns are to the five-year and ten-year periods ending 30 June 2023. Past performance is not a reliable indicator of future performance.

Investment managers

as at 30 June 2023

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

Alternative Debt

Barings LLC
Bentham Asset Management Pty Ltd
Oak Hill Advisors, L.P
Telstra Super Pty Ltd
Yarra Capital Management Limited

Australian Equities

Alliance Bernstein Investment Management Australia Limited
First Sentier Investors (Australia) IM Ltd
Greencape Capital Pty Ltd
Optar Pty Ltd
State Street Global Advisors; Australia; Limited
Telstra Super Pty Ltd
Yarra Funds Management Limited
Alphinity Investment Management Pty Ltd
Spheria Asset Management Pty Ltd

Cash

Pendal Institutional Limited
Telstra Super Pty Ltd

Currency Overlay

Insight Investment Management Pty Limited
Telstra Super Pty Ltd

Diversified Fixed Interest

Challenger Investment Partners Limited
IFM Investors Pty Ltd
Kapstream Capital Pty Ltd
Pimco Australia Pty Limited
Telstra Super Pty Ltd
Wellington Management Australia Pty Ltd
Western Asset Management Company Pty Ltd

Hedge Funds

Arrowgrass Capital Partners LLP
Pacific Alliance Investment Management Limited
Telstra Super Pty Ltd

Infrastructure

Atlas Infrastructure (Australia) Pty Ltd
Charter Hall Group
ClearBridge Investments Limited
First Sentier Investors Ltd
Global Infrastructure Management LLC
JP Morgan Investment Management Inc.
Morrison & Co Utilities Management (Australia) Pty Ltd
PATRIZIA Pty Ltd
QIC Limited
Telstra Super Pty Ltd

International Equities

Aristotle Capital Management, LLC
Artisan Partners Limited Partnership
Baillie Gifford Overseas Limited
Bell Asset Management Limited
MFS International Australia Pty Ltd
Mirova US LLC
Sanders Capital, LLC
Schroder Investment Management Australia Limited
State Street Global Advisors; Australia; Limited
TT International (Hong Kong) Limited

Private Markets

Ara Advisors LLC
Adam Street Partners LLC
Affinity Equity Partners Limited
Airtree Ventures Pty Limited
Archer Capital Pty Ltd
Audax Management Company
Blackbird Ventures Pty Ltd
Brandon Capital Partners
Catalyst Investment Managers Pty Ltd
CIM Group LLC
Cinven Limited
Clayton, Dubilier & Rice, LLC
Committed Advisors SAS
Fortress Investment Group LLC
Global Infrastructure Partners
HarbourVest Partners LLC
HayFin Capital Management Limited
IP Group PLC
IP2IPO Australia Pty Ltd
LGT Capital Partners Ltd
Oaktree Capital Management LP
Quadrant Private Equity Pty Ltd
T Ventures Management Co.Ltd
TA Associates Management LP
Telstra Super Pty Ltd

Property

Berkshire Residential Investments
Charter Hall Group
Dexus Asset Management Limited
DWS Group
Invesco Ltd
Kayne Anderson Core Real Estate Advisors I, LLC
Lend Lease Real Estate Investments Limited
Mirvac Funds Management Australia Limited
Resolution Capital Limited
Telstra Super Pty Ltd

Total Opportunities

Apostle Funds Management
Attunga Capital
Berkshire Residential Investments
Caxton Associates LP
Charter Hall Holdings Pty Ltd
CIM Group
Grain Capital Management
K2 Advisors
Mudrick Capital Management, L.P.
Pacific Investment Management Company LLC
Telstra Super Pty Ltd
Pine River Capital Management LP
Telstra Super Pty Ltd
Goldman Sachs Asset Management LP

Financial statements

Statement of Financial Position for the year ended 30 June 2023

	2023 \$'000	2022 \$'000
Assets		
Cash and cash equivalents	1,528,435	1,490,887
Financial assets	24,151,047	22,303,341
Investment income receivable	56,811	52,266
Unsettled investment sales	218,663	116,326
Accounts receivable	10,906	8,259
Property, plant and equipment	6,285	7,309
Right-of-use lease assets	13,482	14,994
Current income tax assets	5,464	10,959
Total assets	25,991,093	24,004,341
Liabilities		
Benefits payable	(6,380)	(8,590)
Accounts payable	(30,161)	(30,599)
Unsettled investment purchases and payables	(489,780)	(142,676)
Financial liabilities	(227,811)	(322,233)
Lease liabilities	(16,039)	(16,925)
Deferred income tax liabilities	(309,756)	(160,217)
Total liabilities excluding member benefits	(1,079,927)	(681,240)
Net assets available for member benefits	24,911,166	23,323,101
Member benefits		
Defined contribution member liabilities	(23,237,831)	(21,621,668)
Defined benefit member liabilities	(1,393,047)	(1,459,927)
Total member liabilities	(24,630,878)	(23,081,595)
Total net assets	280,288	241,506
Equity		
Operational risk financial requirement	62,982	58,980
Insurance reserve	2,000	2,000
Administration reserve	36,204	54,861
Unallocated surplus	179,102	125,665
Total equity	280,288	241,506

Statement of Comprehensive Income for the year ended 30 June 2023

	2023 \$'000	2022 \$'000
Superannuation activities		
Interest	192,679	97,218
Dividends and distributions	583,271	823,854
Changes in assets measured at fair value	1,357,755	(1,551,684)
Other investment income/(losses)	5,674	9,123
Other operating income	7,385	6,080
Total superannuation activities income/(losses)	2,146,764	(615,409)
Expenses		
Investment expenses	(80,625)	(90,620)
Administration expenses	(81,438)	(83,157)
Interest on lease liability	(1,059)	(1,157)
Total expenses	(163,122)	(174,934)
Net result from superannuation activities	1,983,642	(790,343)
Profit/(loss) from operating activities		
	1,983,642	(790,343)
Net losses/(benefits) allocated to defined contribution member accounts	(1,862,310)	452,995
Net change in defined benefit member liabilities	(8,938)	(68,809)
Profit/(loss) before income tax	112,394	(406,157)
Income tax (expense)/benefit	(73,612)	190,020
Profit/(loss) after income tax	38,782	(216,137)

Statement of Changes in Member Benefits for the year ended 30 June 2023

	Defined Contribution Members 2023 \$'000	Defined Benefit Members 2023 \$'000	Total 2023 \$'000
Opening balance as at 1 July 2022	21,621,668	1,459,927	23,081,595
Employer contributions	552,245	24,685	576,930
Member contributions	390,634	1,512	392,146
Government contributions	1,856	-	1,856
Transfers from other superannuation funds	310,619	791	311,410
Transfers to other superannuation funds	(411,335)	(95,667)	(507,002)
Income tax on contributions	(82,984)	(3,697)	(86,681)
Benefits to members/beneficiaries	(997,558)	(1,868)	(999,426)
Insurance premiums charged to members' accounts	(34,058)	(1,574)	(35,632)
Insurance benefits credited to members' accounts	24,433	-	24,433
Reserves transferred to/(from) members: Insurance reserve	-	-	-
Reserves transferred to/(from) members: Administration reserve	-	-	-
Reserves transferred to/(from) members: Operational risk financial requirement	-	-	-
Net benefits allocated to members' accounts: Net investment income/(loss)	1,901,390	-	1,901,390
Net benefits allocated to members' accounts: Administration fees	(39,079)	-	(39,079)
Net change in DB member benefits	-	8,938	8,938
Closing balance as at 30 June 2023	23,237,831	1,393,047	24,630,878

	Defined Contribution Members 2022 \$'000	Defined Benefit Members 2022 \$'000	Total 2022 \$'000
Opening balance as at 1 July 2021	22,311,933	1,492,010	23,803,943
Employer contributions	498,771	23,591	522,362
Member contributions	302,269	1,597	303,866
Government contributions	1,720	-	1,720
Transfers from other superannuation funds	336,196	1,764	337,960
Transfers to other superannuation funds	(535,137)	(121,435)	(656,572)
Income tax on contributions	(76,653)	(3,539)	(80,192)
Benefits to members/beneficiaries	(756,363)	(1,497)	(757,860)
Insurance premiums charged to members' accounts	(28,187)	(1,373)	(29,560)
Insurance benefits credited to members' accounts	20,114	-	20,114
Reserves transferred to/(from) members: Insurance reserve	-	-	-
Reserves transferred to/(from) members: Administration reserve	-	-	-
Reserves transferred to/(from) members: Operational risk financial requirement	-	-	-
Net benefits allocated to members' accounts: Net investment income/(loss)	(409,578)	-	(409,578)
Net benefits allocated to members' accounts: Administration fees	(43,417)	-	(43,417)
Net change in DB member benefits	-	68,809	68,809
Closing balance as at 30 June 2022	21,621,668	1,459,927	23,081,595

Statement of Changes in Reserves for the year ended 30 June 2023

	Unallocated surplus	Operational risk financial reserve	Insurance reserve	Administration reserve	Total equity
	2023	2023	2023	2023	2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating balance as at 1 July 2022	125,665	58,980	2,000	54,861	241,506
Transfer to/(from) DC member accounts	-	-	-	-	-
Transfer to/(from) DB member accounts	-	-	-	-	-
Net transfer to/(from) reserves	20,300	(1,643)	-	(18,657)	-
Net allocations (to)/from Income Statement	33,137	5,645	-	-	38,782
Closing balance as at 30 June 2023	179,102	62,982	2,000	36,204	280,288

	Unallocated surplus	Operational risk financial reserve	Insurance reserve	Administration reserve	Total equity
	2022	2022	2022	2022	2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating balance as at 1 July 2021	318,646	61,090	2,000	75,907	457,643
Transfer to/(from) DC member accounts	-	-	-	-	-
Transfer to/(from) DB member accounts	-	-	-	-	-
Net transfer to/(from) reserves	21,046	-	-	(21,046)	-
Net allocations (to)/from Income Statement	(214,027)	(2,110)	-	-	(216,137)
Closing balance as at 30 June 2022	125,665	58,980	2,000	54,861	241,506

Statement of Cash Flows for the year ended 30 June 2023

	2023 \$'000	2022 \$'000
Cash flows from operating activities		
Interest received	191,527	96,992
Dividends and distributions	579,774	817,042
Other incomes	12,030	14,603
Investment expenses	(79,937)	(96,461)
Administration expenses	(78,614)	(82,515)
Short-term/low-value lease expenses	(51)	(185)
Interest on lease liability	(1,059)	(1,157)
Group life insurance premiums	(35,632)	(29,560)
Insurance benefits credited to members' accounts	24,433	20,114
Income tax refund/(paid) by operating activities	81,423	(107,501)
Net cash inflows from operating activities	693,894	631,372
Cash flows from investing activities		
Proceeds from sales of financial instruments	16,325,326	21,965,155
Purchases of investment assets	(16,664,931)	(21,879,488)
Purchase of property, plant and equipment	(1,531)	(4,775)
Net cash outflows from investing activities	(341,136)	80,892
Cash flows from financing activities		
Employer contributions received	575,589	521,509
Member contributions received	392,139	303,864
Government co-contributions received	1,856	1,720
Transfers from other superannuation funds received	311,410	337,960
Transfers paid to other superannuation funds	(507,002)	(656,572)
Benefits paid to members and beneficiaries	(1,001,635)	(764,895)
Payment of principal portion of lease liabilities	(886)	(1,089)
Income tax paid by financing activities	(86,681)	(80,192)
Net cash outflows from financing activities	(315,210)	(337,695)
Net decrease in cash	37,548	374,569
Cash at the beginning of the financial year	1,490,887	1,116,318
Cash at the end of the financial year	1,528,435	1,490,887

The audited fund accounts and the auditor's report for the 2022/23 financial year are available on request or for download at telstrasuper.com.au/annualreport.

Defined benefit members

All or most of your super is a defined benefit if you're a member of TelstraSuper Division 2 or TelstraSuper Division 5. Unlike an accumulation account, a defined benefit doesn't rely on investment returns to grow. Instead, your super is calculated using a formula generally based on your salary, length of service with your employer, and the rates at which you have contributed to your super.

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

Our defined benefit investment objectives

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

Our defined benefit investment strategy

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

Governance

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

The following information is available for review:

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



Find further information at telstrasuper.com.au/governance

Important information

TelstraSuper trust deed changes

The TelstraSuper trust deed sets out the rules by which TelstraSuper is managed. The trust deed was amended on 23 December 2021.

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

Annual Member Meeting

Each year, TelstraSuper invites all members to attend its Annual Member Meeting (AMM), at which the Chair, Chief Executive and Chief Investment Officer provide an update on the Fund as well as answer questions from members. Annual member meeting notices are available on our website at telstrasuper.com.au/AMM.

Surcharge

If you are a defined benefit member and you didn't pay the amount in your Surcharge Account by the date nominated on your assessment, interest is charged to this account.

The balance of this account will be deducted from your final benefit when you cease to be a defined benefit member. The surcharge interest rate* for 2022/23 was 4.00%.

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

TelstraSuper's advisers

We use external professional advisers to ensure that TelstraSuper continues to operate correctly and efficiently. TelstraSuper's key advisers for the year to 30 June 2023 are listed below.

Actuarial advisers

Willis Towers Watson

Asset consultant

Frontier Advisors Pty Ltd

External auditors

Ernst & Young

Internal auditors

KPMG

Principal legal advisers

KHQ Lawyers

Master custodian

JPMorgan Chase Bank, N.A., Sydney branch

Taxation advisers

PwC

Fund reserve

The Trustee maintains Fund reserves for expenditure on things such as strategic and regulatory change initiatives and provisioning to enable the Trustee to meet certain contingencies and potential liabilities, including payments to the Trustee capital reserve. The Fund reserves are funded mainly from member account fees. Importantly, payments from these reserves in a year do not increase member fees or reduce member returns for that year.

In the 2022/23 financial year, in relation to the Fund as a whole, the Trustee spent \$18,657,358 more out of Fund reserves than the Trustee credited to Fund reserves during that year from fees. This excess amount represents 0.08% of average Fund assets over the year.

Examples of initiatives funded from reserves during the 2022/23 financial year include:

- Uplifted our secure member portal to make it easier for members to use
- Continue to streamline and improve our administration systems to make it easier for members to engage with us and their super – including introducing digital member cards, digital signatures, online join forms, online form submissions, and secure document upload for members.
- Improved the design and performance of digital member channels, including our public website, member portal and mobile app
- Introduced new guidance and online calculators
- Introduced a member guidance specialist team to support members using our online guidance tools and assisting members with pre-retirement and retirement decisions
- Uplifted our direct access investment option offering

- Delivered our first Reconciliation Action Plan
- Made upgrades to our technology security systems
- Growth initiatives targeting new members and employers.

Balances of Reserves

The Trustee maintains an Insurance Reserve, an Administration Reserve and an Operational Risk Financial Reserve (ORFR).

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

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

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

- 30 June 2023: \$101,186,000
- 30 June 2022: \$115,841,000
- 30 June 2021: \$138,997,000

Balances of reserves:

Balance as at 30 June	2021 \$'000	2022 \$'000	2023 \$'000
Administration reserve	75,907	54,861	36,203
ORFR	61,090	58,980	62,983
Insurance reserve	2,000	2,000	2,000

 **Find further information about the reserves at telstrasuper.com.au/financialstatements**

Derivatives

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

The responsible and properly managed use of derivatives assists TelstraSuper in achieving its investment objectives for the Fund. Derivatives are used principally to:

- Reduce volatility
- Reduce transaction costs; and
- Change asset allocation in a timely and cost-effective manner.

TelstraSuper monitors the use of derivatives by:

- Internal controls
- Internal audit
- External auditors; and
- An external custodian.

Indemnity and fidelity insurance

TelstraSuper has professional indemnity insurance in place that covers claims in respect of the financial services provided by current and former representatives on behalf of TelstraSuper. TelstraSuper believes that this insurance satisfies the compensation arrangements required under section 912B of the Corporations Act 2001 (Cth).

Transfers to the Australian Tax Office (ATO)

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

We will contact the member prior to their account being transferred to the ATO to give them the opportunity to retain these funds with TelstraSuper.

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

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

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

Premium adjustment mechanisms

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

Complaints handling

If you are dissatisfied with our products, services or staff, we will try our best to solve it as quickly as possible. Please contact TelstraSuper on **1300 033 166** or write to:

Complaints Officer

TelstraSuper
PO Box 14309
MELBOURNE VIC 8001

contact@telstrasuper.com.au

If your complaint is not resolved within 45 days or you are not satisfied with our handling of your complaint or the decision we make in relation to your complaint, you may refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA is an external dispute resolution scheme that provides an independent complaint resolution service for consumers in the financial system. Before AFCA is able to accept a complaint, it must have first been dealt with by our internal complaints resolution process.

Members can access AFCA free of charge. They can be contacted on **1800 931 678** or write to:

AFCA
GPO Box 3
MELBOURNE VIC 3001

info@afca.org.au
afca.org.au



Call us
1300 033 166



Visit the website
telstrasuper.com.au



TelstraSuper
PO Box 14309
Melbourne VIC 8001

Disclaimers

This report intends to provide helpful information, not investment or financial advice, and the information should not be construed as investment or financial advice. Each member is ultimately responsible for making investment decisions and obtaining whatever assistance they deem necessary.

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

Formal legal documents called the governing rules and relevant legislation ultimately govern the operation of the Telstra Superannuation Scheme (TelstraSuper). The central document is the TelstraSuper trust deed. Should there be any discrepancies between the information in this report and the governing rules, the governing rules will prevail. Telstra Super Pty Ltd, ABN 86 007 422 522, AFSL 236709, is the Trustee of the Telstra Superannuation Scheme, ABN 85 502 108 833 (TelstraSuper). References to TelstraSuper Financial Planning in this report are to TelstraSuper Financial Planning Pty Ltd (ABN 74 097 777 725), AFSL 218705. © Telstra Super Pty Ltd, September 2022.

© Zenith CW Pty Ltd ABN 20 639 121 403 (Chant West), AR of Zenith Investment Partners Pty Ltd ABN 27 103 132 672, AFSL 226872/AFS Rep No. 1280401. Chant West Awards (Awards) were issued on 26 May 2022 and are determined using proprietary methodologies based on data from third parties and subject to copyright. Chant West does not accept any liability arising from the use of Awards. Awards are solely statements of opinion and do not represent recommendations to purchase, hold or sell product(s) or make any other investment decisions. To the extent the Awards constitute advice, it is General Advice only without taking into consideration the objectives, financial situation or needs, including target markets of financial products. Individuals should consider their personal circumstances, read the PDS or offer document and seek independent financial advice before making investment decisions. Past performance is not an indication of future performance. Awards are current for 12 months from the date awarded and subject to change at any time. Awards for previous years are referenced for historical purposes only. Go to chantwest.com.au for full information on Chant West's research methodology, processes, ratings definitions and FSG. Awards provided by ratings agencies SuperRatings, Chant West and Rainmaker. See our awards page for full agency disclaimers telstrasuper.com.au/about-us/awards