

Supporting your *super* journey

Your financial year update

From the CEO – Chris Davies

It's been another busy and positive year for TelstraSuper. From delivering strong long-term investment performance to expanding our retirement offering, the Fund continues to innovate and enhance our products and services to make sure we are meeting the diverse needs of our members and delivering great retirement outcomes.

This year we introduced a range of new online tools aimed at supporting members. These measures, along with other innovations, saw TelstraSuper take out the Chant West Best Fund: Innovation 2024 award*. This is fantastic recognition of our ongoing work to help members further engage with their super.



An award-winning super fund

View all our awards at telstrasuper.com.au/awards

Investment returns

Despite ongoing challenging economic conditions brought about by higher inflation and higher interest rates, it's been another year of positive returns across almost all our investment options. Members invested in our RetiredAccess diversified options enjoyed strong performance with Lifestyle Growth returning 9.66% over the year to 30 June 2024, Lifestyle Balanced returning 8.62% over the year to 30 June 2024. Lifestyle Moderate returned 7.12%, and Lifestyle Conservative earned 4.94% over the same period*.

These results reflect the resilience of major global economies over the period, which produced particularly strong performances from Australian and International Shares. Looking to the future, we continue to keep a sharp eye on economic growth, both here and overseas, as well as geopolitical developments, which have the potential to move markets. Our experienced investment team's sole focus remains to maximise returns to members while managing these risks.

Overview of return by investment option



9.66%

Lifestyle Growth



7.12%

Lifestyle Moderate



8.62%

Lifestyle Balanced



4.94%

Lifestyle Conservative



For more information on the returns of all our investment options, please visit telstrasuper.com.au/returns

Lower fees

As a profit-to-member super fund, TelstraSuper always strives to achieve competitive performance at the lowest possible cost.

For the third year running, we were able to lower our percentage-based administration fee from 0.17% p.a to 0.16% p.a on 1 April 2024.

We also reduced the total annual administration fee cap to \$1,652 per year (down from \$1,752 per year) so that individual members and eligible couples with growing balances don't have to worry about their administration fee extending beyond this cap.

Eligible couples and individual members are also eligible for an admin fee rebate if they have an account balance of at least \$1,000,000 for individuals, or a combined account balance of \$967,500 for couples.



Cementing our leadership in retirement

We recognise that many of our members who are moving from building their super to enjoying their retirement want more choice and certainty when it comes to drawing a retirement income.

This financial year, we achieved an important milestone with the launch of the TelstraSuper RetireAccess Lifetime Pension.



Find out more about Lifetime Pension^{††} visit telstrasuper.com.au/lifetimepension



or download the relevant product disclosure statement and target market determination at telstrasuper.com.au/pds

Designed to work alongside our popular RetireAccess income stream, the Lifetime Pension provides a guaranteed regular tax-free income for life. For some retirees, it can also lead to higher Age Pension payments or being able to start getting the pension.

To further support members in their retirement, we've also launched a range of new tools and calculators, extended access to our self-managed style Direct Access product to include retirees, while TelstraSuper Financial Planning has introduced aged care funding advice.

This includes our new Lifetime Income Calculator which can illustrate how income-layering can work for you and your spouse (if applicable).

We are very proud that our members now have access to one of the most holistic and comprehensive retirement offerings on the market. Supporting our members through guidance, education, targeted campaigns, access to financial advice and appropriate products is the cornerstone of TelstraSuper's approach to retirement.



Use our Lifetime Income Calculator
telstrasuper.com.au/incomecalc

Investment changes

This financial year, we made several key changes to our investment offering, which are designed to maximise member returns.



Find out more on our other investment changes visit telstrasuper.com.au/investchanges

Retirement income stream members

Effective 1 July 2023, we combined our Defensive Growth investment option with the Lifestyle Moderate investment option. Like all our Lifestyle investment options, the Lifestyle Moderate option offers an optional Cash Allocation feature which can help provide investment flexibility by allocating some of your funds invested in Lifestyle Moderate investment option to the Cash investment option each month.

Transition to Retirement income stream members

Effective 1 July 2023, we introduced a new Moderate investment option, formed by combining our Diversified Income and Defensive Growth investment options. The Moderate investment option is invested in a range of assets including Australian and International shares, property, infrastructure, bonds, credit, alternatives and cash, all with the aim of diversifying risk while seeking to deliver steady growth.

Explore income layering

Try our Lifetime Income Calculator

Visit telstrasuper.com.au/incomecalc



Introducing High Growth

We also launched a new High Growth investment option for members seeking to maximise their returns over a longer time horizon. Compared to our other investment options, High Growth has a higher allocation to shares and also has a tilt towards technology and other innovative companies in their early stage of growth, providing opportunities for potentially higher long-term returns. Since its launch on 2 October 2023, the High Growth option has returned 12.24%[†].

As with any investment option, it's important to ensure that the choices you make suit your investment strategy and individual goals and circumstances.

We've also made some changes to our Property investment option with the aim of improving liquidity and reducing exposure to unlisted investments. The long-term strategic investment mix is now 25% in listed property, up from 15%, and unlisted property is now 75%, down from 85%.

If you're unsure whether your retirement assets are invested appropriately to help maximise the longevity of your income, you may want to speak with TelstraSuper Financial Planning. To book an appointment call **1300 033 166**.



You can find more information about our High Growth option by visiting telstrasuper.com.au/hgrowth

Advice at your fingertips

The 2023/24 financial year also saw us complete some exciting developments with our advice offering. We were thrilled to launch our first digital advice tool, the Investment Choice selector, provided by TelstraSuper Financial Planning.

This intuitive tool is designed to make investment recommendations based on your needs. In just a few minutes you can find out your investment style, your appetite for investment risk, and which investment option best suits you.

From there, you can choose to switch options or get phone or face-to-face advice to support any decision making based on the tool.

We're one of the few super funds that offer members access to a dedicated professional financial advice service[^], through TelstraSuper Financial Planning. Whether you are after phone-based advice on simple questions about your super account, personal financial advice about one or two topics on your super or finances, or comprehensive one-off or ongoing advice from your adviser, we've got you covered. This includes aged care funding advice for members who seek advice on this complex area of funding, either for themselves or family members.



Get face-to-face advice and chat with us today, please visit telstrasuper.com.au/contact-us

See what type of investor you are

Discover if your super will go the distance

Our new Retirement Lifestyle Planner is designed to help members answer questions they may have about their super balance at retirement, and how they're tracking.

Questions like:

- Will my money give me the standard of living I want?
- How long might it last?
- What type of income options would work for me?
- What can I do to make a difference?

- Can now be answered at your fingertips.

You can evaluate different scenarios that could affect your income in retirement like changing investment options, changing your drawn down amount, or trying different types of income layering.



Try our new Retirement Lifestyle Planner tool, by visiting telstrasuper.com.au/planner

Make it easier to transact with us

We also made a raft of changes to our online services, making it easier for members to engage and transact with us.

Members can now securely upload files and documents via SuperOnline instantly rather than waiting on the mail. Members can also now view the status and track the progress of selected transactions within their SuperOnline account.

You can also now live chat with our team online. Our chatbot may be able to answer your query, but, if not, simply type 'agent' and you will be connected with one of our Melbourne-based consultants. They're available on chat **8:30am - 6:00pm** (Melbourne time) **Monday to Friday** (closed public holidays).

Uptake of this service has exceeded expectations, reinforcing to us that our membership is tech-savvy and keen to embrace digital innovation.

Update on the Fund's merger plans

As communicated in May this year, the TelstraSuper Board has determined that it is in our members' long term best interests to seek a suitable merger partner.

This follows careful consideration of the Fund's long-term strategy against the backdrop of industry trends and developments, where size and scale are increasingly important. The Fund is in a strong and healthy position with positive net member growth, high member advocacy and a growing retirement segment.

The merger process will contain three key phases



Phase 1

Reviewing potential funds and shortlisting.



Phase 2

Selecting a preferred merger partner, signing a Memorandum of Understanding and conducting further due diligence between the two parties.



Phase 3

Provided that the due diligence phase has been successfully completed to the satisfaction of both parties, the two parties will formally agree to merge resulting in the legal merging of entities.

The Board has now commenced phase 1 of the merger process and there has been a high level of interest from funds seeking to partner with us. The Board is currently considering information provided from a range of potential merger partners to enable us to find the right fit.

From here, the Board will choose a preferred candidate and commence further due diligence. This includes delving deeper into any potential merger partner's products, services (including advice services), culture, insurances and investment strategy. Our members' best financial interests are front and centre to any merger consideration.

Finally, once a partner is confirmed, there will be a legal merging of entities. We anticipate that this will occur before the end of 2025.

Once the TelstraSuper Board has determined who our preferred merger partner will be, we will be able to share more information with you. While the Fund explores merger options, it's important to note that there will be no change in the operations of the Fund or our commitment to helping members achieve the best retirement outcome possible. In the meantime, if you have any questions, please feel free to review our frequently asked questions section on our website.

The year ahead

The superannuation landscape is always changing, whether it be changes in investment markets, technology, legislation or, indeed, changes in fund ownership.

The year ahead will be no different. As the TelstraSuper Board looks to explore merger options, we remain committed to delivering our members a bright future.

With our deeply ingrained members-first culture and our proud history of embracing and adapting to changes in the operating environment, you can have every confidence that TelstraSuper will successfully navigate the future for the benefit of all members.

Thank you for trusting us with your retirement savings, we'll always put you, our members, first.

If you have any questions about the information in this document, about your TelstraSuper account or if you wish to discuss your advice needs, please call us on **1300 033 166** or visit the website **telstrasuper.com.au**



You can read the latest updates on our merger plans at **telstrasuper.com.au/merger**

Recent legislated changes to super

The following legislated changes impacting retirees and their super savings came into effect on 1 July 2024:

Deeming rates frozen

As part of the 2024-25 Federal Budget, the Treasurer announced a 12-month extension to 30 June 2025 of the current freeze in deeming rates for retirees.

This measure will assist part pensioners with bank deposits, investments and also super pension income streams which are captured under the deeming rules. The measure will allow retirees to benefit from increases in interest rates and returns without reductions in their age pension.

The deeming rate has been frozen for the last two years with the top rate unchanged at 2.25%.

Transfer caps

The Capital Gains Transfer cap amount for non - concessional contributions is \$1.780 million for 2024-25 (up from \$1.705 million).

There is no change to the General Transfer Balance Cap at \$1.9 million or the Total Superannuation Balance threshold at \$1.9 million.

The 'defined benefit income cap' will remain at \$118,750 for 2024-25.

[†]Past performance is not a reliable indicator of future performance

^{*}Zenith CW Pty Ltd ABN 20 639 121 403 AFSL 226872/AFS Rep No. 1280401 Chant West Awards issued 22 May 2024 are solely statements of opinion and not a recommendation in relation to making any investment decisions. Awards are current for 12 months and subject to change at any time. Awards for previous years are for historical purposes only. Full details on Chant West Awards at <https://www.chantwest.com.au/fund-awards/about-theawards>.

[‡]As at 30 June, 2024

[^]Advice is provided to members by Telstra Super Financial Planning Pty Ltd ABN 74 097 777 725/ AFSL 218705 (referred to as TelstraSuper Financial Planning). For more complex advice, fees may apply. Any general advice has been prepared without taking into account your objectives, financial situation or needs. Before you act on any general advice, you should consider whether it is appropriate to your individual circumstances.

^{**}Before making any investment decision, you should obtain and read the relevant product disclosure statement and target market determination which is available on telstrasuper.com.au or by calling **1300 033 166**. You may wish to consult an Adviser before you make any decisions relating to your financial affairs. To speak with an Adviser from TelstraSuper Financial Planning call **1300 033 166**.

Supporting your super journey



Call us
1300 033 166



Visit the website
telstrasuper.com.au