

Annual Outcomes Assessment for Members

March 2025

Outcomes for members

TelstraSuper aims to excel at supporting members to grow and protect their super and optimise their income streams.

We recently conducted a thorough review of our performance for the 2024 financial year.

The overall fund performance was assessed, together with the performance of individual products and services and their suitability to our membership. This was both in respect of the product objectives and in reference to the broader industry performance.

The many elements which go into providing a comprehensive sustainable superannuation fund were all considered including:

- scale and sustainability
- investment performance with a key focus on achieving the performance objectives over the long term
- financial performance, with a focus on net returns to members inclusive of fees and costs
- default insurance provided
- retirement adequacy and readiness
- services, options and benefits to support members to achieve to achieve strong outcomes from their retirement savings.

This report highlights our findings and how TelstraSuper's Trustee determined the results.

When results are compared to those of other funds, this was done at a product level based on the similarity of products and offering and the membership they service. Comparisons in performance, particularly in relation to growth, was made with other funds which report to a 30 June year end.

Where possible, the fund's metrics are benchmarked against all APRA regulated funds. However, when comparing at a product level, comparisons are made to a subset of funds with similar product features and/or risk profiles to provide meaningful comparisons. Ratings agency data from Chant West and SuperRatings are used for this purpose.

TelstraSuper's members are highly satisfied with the fund, with a ranking of 9 or 10 out of 10 by 56% of respondents and ranking of 7 or 8 out of 10 by a further 32% of respondents to the 2024 Annual Member Survey.

01

Scale and sustainability

TelstraSuper is a profit-to-member fund and ranks as the 26th largest fund in Australia by assets under management.

For more than 34 years our sole objective has been to help our members achieve a financially secure future. Our strategy is to provide high quality products and services at a fair cost; a strategy we are achieving.

TelstraSuper's net assets under management increased by 5.55% to \$27.28 billion in the year to 30 June, 2024. This was lower than the industry median increase of 9.89%.

Pleasingly, the fund's membership growth rate is steadily increasing on previous years. Our membership growth rate was 4%, compared to the industry median of 1%.

Members leaving the fund increased slightly to 3,739, compared to 3,539 in the previous financial year.

Where there are some concerns related to scale and sustainability, it is expected that the future direction of the Fund, in merging with Equip Super, will address these issues to maintain a competitive position into the future enabling the continued delivery of the intended member outcomes.

In the meantime, TelstraSuper continues to focus on driving increases in membership through increased acquisition and member retention strategies.

Member demographics

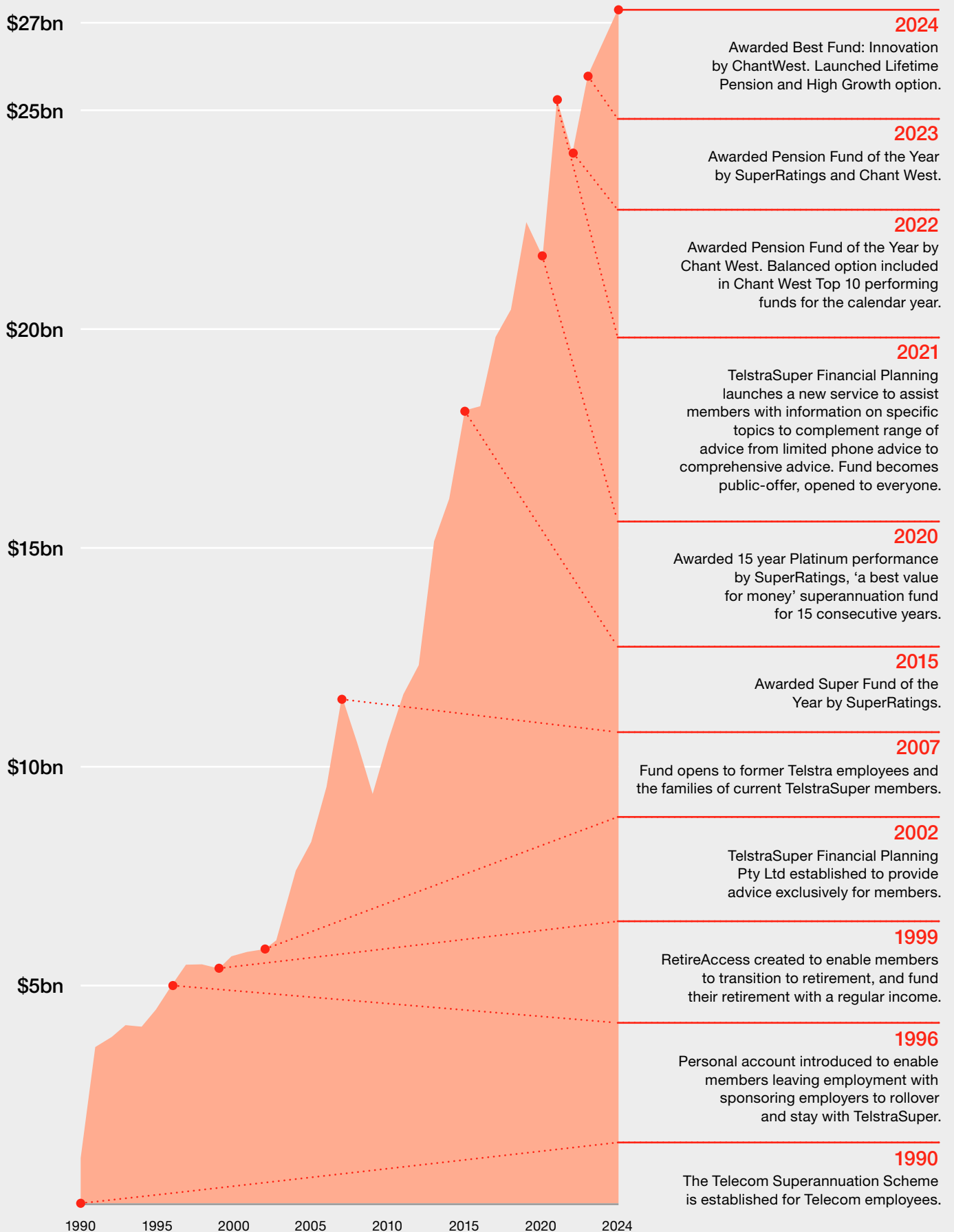
TelstraSuper members hold a much higher average balance than the industry average, with average balances for those approaching retirement more than double the industry average.

There is a large proportion of members who have been with the fund for more than 30 years, with many having moved into retirement and transferred their funds into the RetireAccess product, which has experienced the strongest growth across our product types. The proportion of our members in pension phase is more than twice the industry median. The percentage of retiring members who chose to transfer into our RetireAccess product was 65.4%, falling slightly from the previous year (67.5%).

TelstraSuper has seen a shift in membership away from corporate members to personal members with more than three-quarters of members not having a direct current link to a Telstra Group employer.

TelstraSuper milestones since inception

Assets Under Management growth*



*Assets under management is financial year data at end of 30 June for each year.

02

Fees, costs and net returns

As a profit-to-member fund, TelstraSuper does not set its fees to make a profit – the fund simply aims to pass on the cost of running the Fund to our members. The Trustee regularly reviews member fees with the view to reducing fees where projections indicate this is a reasonable course of action.

Overall, the investment performance and net returns for the year compared competitively to the industry for most products.

The Fund's investment fees for all four lifestages of the MySuper Accumulation product are in the second or first quartile. Investment fees for the RetireAccess decumulation options ranged from second quartile for Australian Share and International Share options through to third quartile for the rest of the options, except for Property and Diversified Bonds and Credit options where fees are in the fourth quartile.

Peer comparison

The Fund's administration fees were reduced in the first half of the financial year to 30 June 2024 and are competitive when compared to the administration fees charged by other funds. Administration fees are below industry median for all four MySuper lifestages. For the Choice Accumulation options, the administration fee is below median for lower balances, but less competitive for higher balances. Administration fees are in the third quartile* for all the RetireAccess decumulation options.

* Quartiles are used to divide a cohort into four equal parts. The 'top' or 1st quartile represents the top 25% of the cohort by value. The 2nd quartile is the next 25%. The median is the mid-point. The third quartile is the next 25% below the median and the bottom or 4th quartile is the 25% of the cohort with the lowest values.

Where quartiles are referenced in relation to fees this is with an inverse number so that top quartile or second quartile are the preferred outcomes.

02 Fees, costs and net returns

MySuper product outcomes

MySuper accumulation products are offered for both employer sponsored members and personal members. These are the default products for members who do not make an active investment choice. Four age-based investment options are offered – Growth, Balanced, Moderate (introduced from 1 October 2023) and Conservative. These are designed so that members progress from a higher risk investment option: Growth (aimed at those under 50) through to Balanced (50 to 65) and on to Moderate* (65-70), then Conservative (70 and over) as they age.

Performance of these options was compared to all other MySuper products based on member ages of 35, 57, 67 and 70 years over one, three and five year time periods.

The net return for the Fund's MySuper Growth option was below median for one year. It was top quartile for three and five years, when compared to the default MySuper products for 35 year old members.

The net return of the MySuper Balanced option was fourth quartile for one year, second quartile for three years and five years when compared to the default MySuper products for 57 year old members.

The net return for the MySuper Moderate option was in the fourth quartile for one year, second quartile for three years and second quartile for five years, when compared to the default MySuper products for 67 year old members.

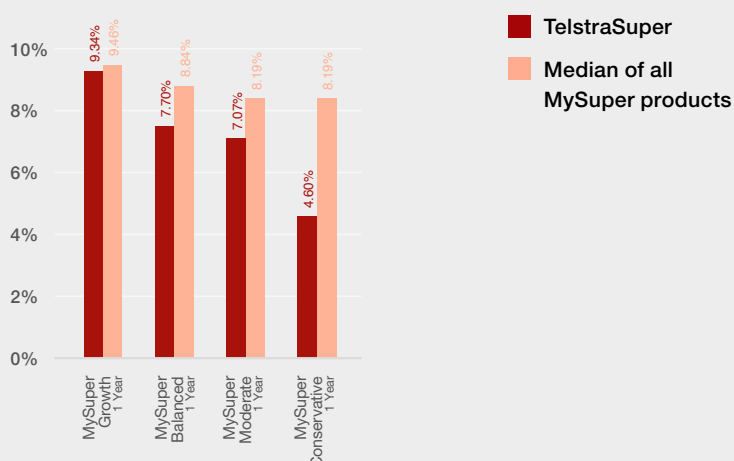
The net return for MySuper Conservative option was fourth quartile for one, three and five years, when compared to other MySuper products applying at age 70, including many with a higher risk profile.

Each MySuper investment option was assessed using APRA's Heatmap threshold methodology

TelstraSuper MySuper – 1 Year Net Returns vs. MySuper median

One year to June 30, 2024 after deduction of fees, costs and taxes applied.

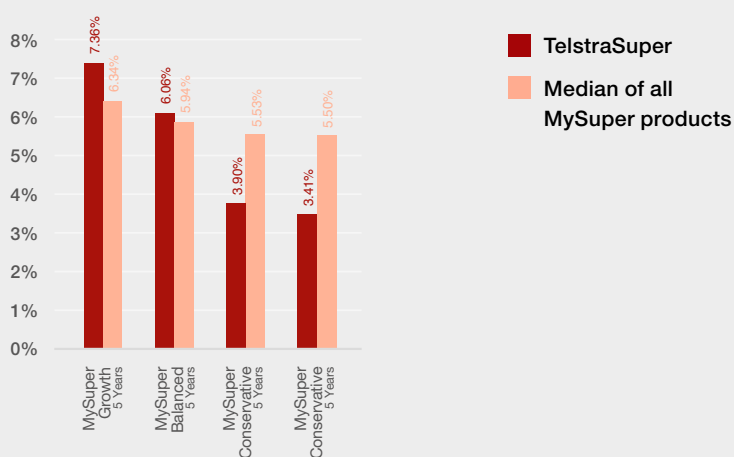
* The net returns for TelstraSuper default members at age 35 (MySuper Growth); age 57 (MySuper Balanced), age 67 (MySuper Moderate) and age 70 (MySuper Conservative) are compared to the median for all APRA-regulated MySuper products (ie includes all risk levels) that would apply at these three ages.



TelstraSuper MySuper – 5 Year Net Returns vs. MySuper median

Five years to June 30, 2024 after deduction of fees, costs and taxes applied.

* The net returns for TelstraSuper default members at age 35 (MySuper Growth); age 57 (MySuper Balanced) and age 67 (MySuper Moderate) age 70 (MySuper Conservative) are compared to the median for all MySuper products (ie includes all risk levels) that would apply at these three ages.



Data source: Chant West Member Outcomes Dashboard. Investment returns calculated to 30 June, 2024. Past performance is not a reliable indicator of future returns.

and all were judged as within the acceptable range.

When comparing each TelstraSuper MySuper Lifecycle option to other products with a similar risk profile, our performance compares favourably. This is best illustrated in the graph on page 7, which compares the

10 year Annualised returns of TelstraSuper Growth, Balanced, Moderate and Conservative Choice options against the median for all Choice products with a similar risk profile. The investment mix of these four Choice options is the same as the investment mix for their corresponding MySuper lifecycle option.

02 Fees, costs and net returns

Choice product outcomes

TelstraSuper offers five diversified Choice investment options and five single sector options that members can choose in any combination. There is also a Direct Access product to allow members to invest directly into Shares, Cash or Term Deposit options via a platform.

The Choice options[^] are compared on a risk level basis with other investment products with a similar risk level using Chant West data.

Two of the Choice diversified options (Moderate* and Conservative) delivered net returns for the 10 year period to 30 June 2024 in second and top quartile respectively when compared to similar funds. The Growth and Balanced options delivered net returns over the same period in the third quartile.

Comparing across the Choice single sector options, the net returns over 10 years were top quartile for the Property option, Cash option and Diversified Bonds

and Credit** option, third quartile for Australian shares and fourth quartile for International shares.

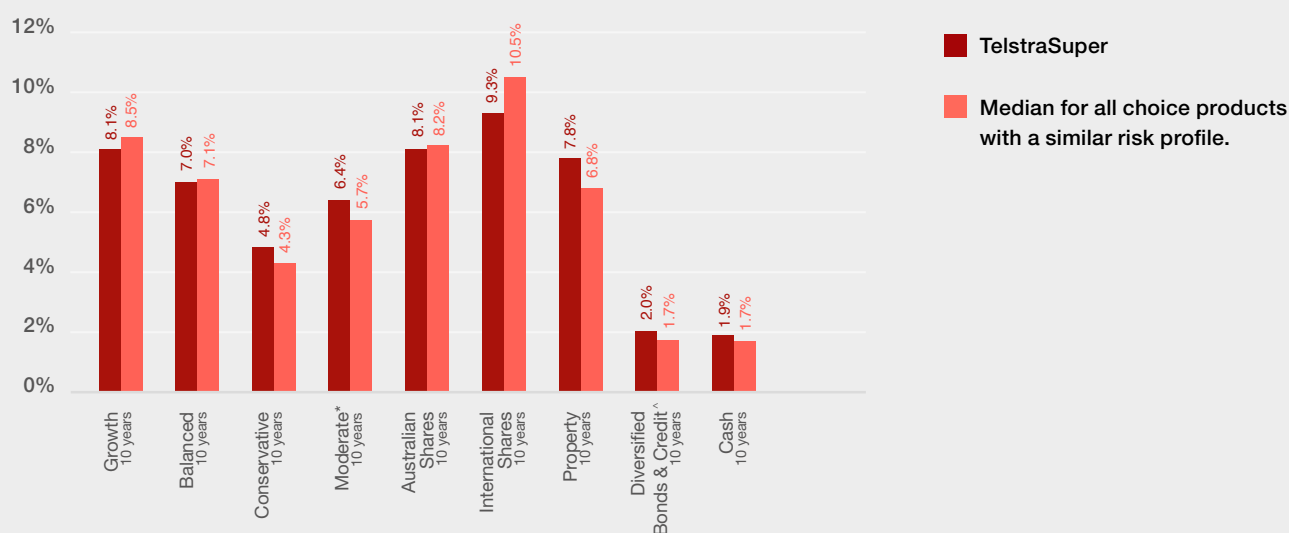
[^] Performance for the High Growth is not shown as the option has less than one year of performance at 30 June 2024.

* At 1 July 2023, the fund's Diversified Income and Defensive Growth options were merged to form a new Moderate option with a similar investment strategy and risk profile. The ten year return for our Moderate option is based on the historical performance of the Defensive Growth option.

**At 1 July 2023, the Fixed Interest option changed its name to the Diversified Bonds and Credit option.

Choice product outcomes, 10 year annualised returns[#]

Compared on risk profile basis after deduction of costs and taxes paid, but not investment fees.



Data source: Chant West Member Outcomes Dashboard. Investment returns are for the 10 years to June 30, 2024. Past performance is not a reliable indicator of future returns.

[#] Comparing annualised, rather than net returns, removes the impact of administration fees which vary depending on a members' balance size.

02 Fees, costs and net returns

Retirement product outcomes

RetireAccess is designed for members approaching or in retirement. The product allows members to draw an income while offering a broad range of investment options for the conservative through to aggressive investor.

The RetireAccess product delivered top quartile or second top quartile annualised returns* over 10 years for the members of Lifestyle Conservative and Lifestyle Moderate. The 10 year annualised returns for members

of Lifestyle Growth and Lifestyle Balanced were below median in the third quartile but the longer 15 year annualised returns for members of these options were in the top quartile.

Among the five single sector RetireAccess options, the Property option also delivered top quartile net returns over 10 years.

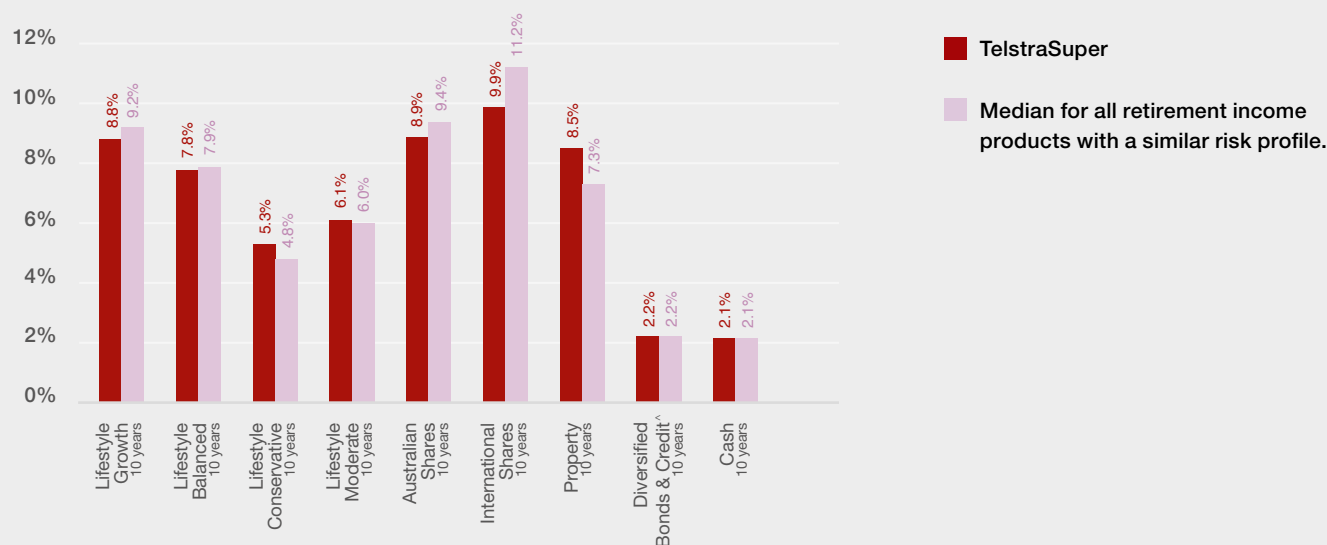
Annualised returns were at median for Diversified Bonds and Credit and Cash, below median in the third quartile for Australian Shares and in the fourth quartile for International shares.

Overall, TelstraSuper has generally delivered pleasing investment outcomes relative to our peers (page 6-8) and objectives (page 9) over multiple time periods.

The Trustee has determined that the investment strategy, including the level of investment risk and return targets across each option, is appropriate for members.

Retirement income product outcomes, 10 year Annualised returns*

Compared on risk profile basis. Inclusive of investment fees.



Data source: Chant West Member Outcomes Dashboard (2024). Investment returns are calculated for the 10 years to June 30, 2024. Past performance is not a reliable indicator of future returns.

* Comparing annualized, rather than net returns, removes the impact of percentage-based administration fees which vary depending on a members' balance size.

[^] At 1 July 2023, the Fixed Interest option changed its name to the Diversified Bonds and Credit option.

03

Performance vs Objectives

Investment objectives vary with the level of risk associated with the assets that make up the option.

While TelstraSuper performed above its stated objectives for some investment options, the surge in inflation experienced in recent times saw some options fall below their objectives.

Investment objectives are specified relative to inflation. This means that investment objectives for

some options were significantly higher than in previous periods due to higher inflation rates and, therefore, were unusually difficult targets to meet over that period.

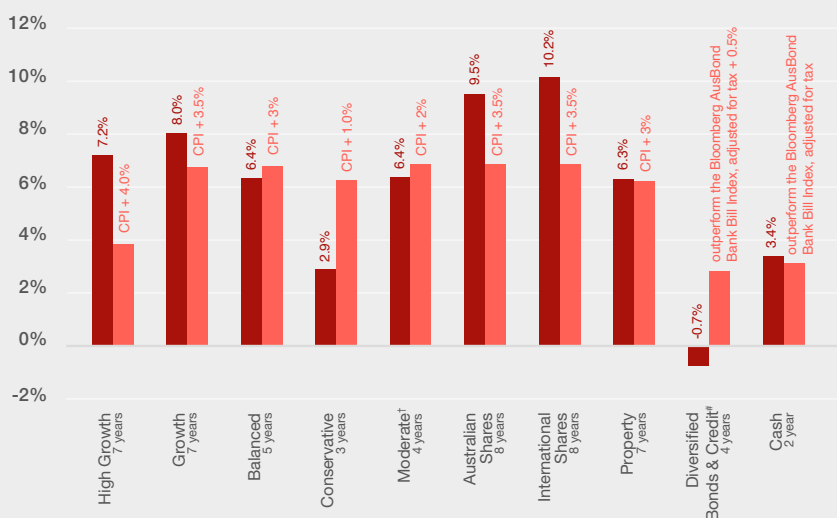
Six Choice Accumulation Options performed above their stated investment objectives over their stated investment time horizons.[^] Four Choice options - Balanced, Moderate, Conservative and Diversified Bonds and Credit

performed below their stated investment objectives.

Eight out of nine RetireAccess options performed above their stated objectives, with Diversified Bonds and Credit performing below.

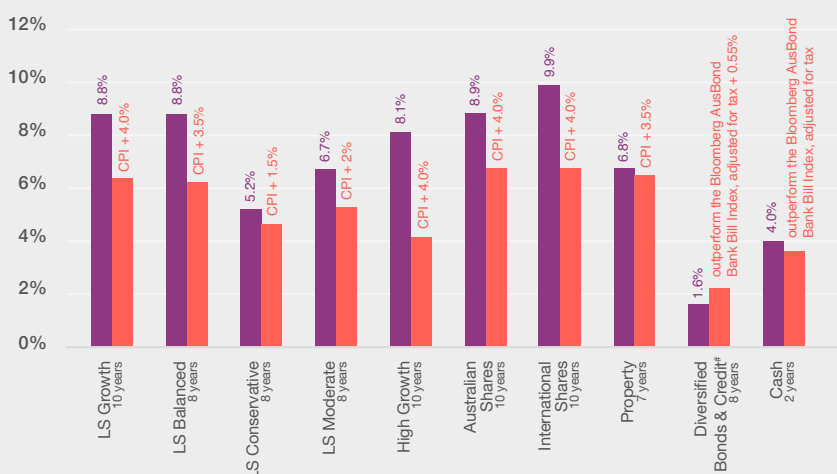
[^] The High Growth option was introduced on 2 October 2023 and no historic returns are available for this option. The chart below shows 6 months of returns to 30 June 2024 (not a full financial year) compared against objective.

Accumulation options – Performance vs. Objectives



■ TelstraSuper Accumulation option return
■ Objective

Retirement income options – Performance vs. Objectives



■ TelstraSuper RetireAccess option return
■ Objective

Past performance is not a reliable indicator of future returns.

[†] At 1 July 2023, the fund's Diversified Income and Defensive Growth options were merged to form a new Moderate option with a similar investment strategy and risk profile. The ten year return for our Moderate option is based on the historical performance of the Defensive Growth option.

^{*} At 1 July 2023, the Fixed Interest option changed its name to the Diversified Bonds and Credit option.

04

Defined Benefit outcomes

TelstraSuper's Defined Benefit division, which has been closed to new members since 1999, uses a set formula that references the member's salary, period of membership, contribution rate and any additional multiples of contributions as they apply to each division. The calculation of each member's defined benefit is independent of the Fund's investment performance.

The Vested Benefit Index of 107.46% on 30 June 2024 confirms that all defined benefits are fully funded. The average benefit for defined benefit members is well above the industry average with generous insurance arrangements in place based on a formula taking their benefit through to retirement age in the case of death or permanent disability. These benefits are externally insured, reducing the risk directly

to the Fund if an extraordinary level, except for claims arising in respect of the period prior to 2005, of claims was experienced.

The defined benefit arrangement is reviewed by the Fund Actuary at least every three years with the employer contribution adjusted as required with the aim of ensuring that all benefits remain fully funded.

05

Insurance

TelstraSuper aims 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.

The Fund provides 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 offering meets the needs of TelstraSuper members and strives to continuously enhance the product to ensure it evolves with market trends and delivers even greater value to members. The insurance strategy is considered appropriate for members and premiums for default insurance do not

inappropriately erode the retirement incomes of members. Ratings agency Chant West rated TelstraSuper's insurance as being the Highest Quality with a '5 Apples' rating for 2024.

From 1 July 2023, TelstraSuper entered into a three year contract renewal with its insurer MLC Life Insurance. The Fund's Death and TPD rates were secured until 30 June 2026, while the rates for Income Protection were decreased by 11.5% to 30%, depending on gender and age. These rates are unlikely to change during the three-year guarantee period except in very limited circumstances.

The default insurance cover has been set over time taking into consideration the Fund's demographics, the affordability of insurance cover to not erode member accounts.

Using Australian Bureau of Statistics employee earnings data (May 2021), the level of default insurance cover for TelstraSuper Corporate Plus members is

above the industry comparison benchmark up to age 50, then marginally lower after age 50. The average default premium paid for this cover is 0.60% of salary (for a male at age 45), and 0.73% of salary (for a female at age 45), both being lower than the guidance benchmark benchmark of 1% salary.

For TelstraSuper Personal Plus members, the level of default insurance cover is considerably lower than the industry benchmark for all ages but, accordingly, the premiums paid are lower, with an average default premium of 0.18% of salary (a unisex rate at age 45), compared to the benchmark of 1% of salary (data sourced from May 2021 ABS data). These members have the option to increase their insurance by applying for voluntary cover.

06

Retirement Readiness

To get a better understanding of how the Fund is performing in providing adequate retirement outcomes for members, TelstraSuper engages with actuarial firm, WTW, to measure retirement readiness and overall retirement adequacy of the membership cohort. This analysis employs a Retirement Adequacy Index (RAI) and a Retirement Readiness Index (RRI) that considers a range of factors including member balances, investment returns and industry benchmarks for retirement incomes.

The analysis shows that a large proportion of TelstraSuper Accumulation members are on track to receive a more than adequate income in retirement, with more than two thirds (68%) of the Fund's membership expected to meet or exceed a target income based on the ASFA Comfortable Retirement Standard, which equates in today's dollars of a yearly income of \$73,031* for a couple.

If inactive members are excluded from the analysis, 83% of TelstraSuper accumulation members are expected to retire with a comfortable income, while the vast majority of active members (93%) would meet or exceed a target income of the ASFA Mid-point (the Mid-point between the ASFA Comfortable and ASFA Modest retirement standard), which equates in today's dollars to a yearly income of \$60,253* for a couple. For those members already invested in our RetireAccess pension products, 99% meet or exceed the ASFA Mid-point target income.

The RRI viewed by gender shows very little disparity for active Defined Benefit and Corporate Plus members. Across active Personal Plus members there is a slightly larger difference in the RRI for males and females: males have a higher readiness for retirement at 91%, compared to 88% for active female members.

Overall, the RRI is showing an improving trend over the five years from 2019 through to June 30, 2024.

*Based on budgets for various households and living standards for those aged 65-84 (September quarter 2024).

07

Options, benefits and facilities for members

TelstraSuper provides a broad range of high-quality services to support members in all aspects of their super and help them achieve the best retirement outcomes for their needs.

The services offered are appreciated by members, as demonstrated by the strong satisfaction and their willingness to promote the Fund. In May 2024 TelstraSuper was ranked second

of 29 funds participating in an extensive Member Engagement study conducted by Investment Trends. The Net Promoter Score (NPS) for TelstraSuper was +24, compared to an average of -20 across the survey.

TelstraSuper's members are highly satisfied with the Fund, with a ranking of 9 or 10 out of 10 by 56% of respondents and ranking of 7 or 8 out of 10 by a

further 32% of respondents to the 2024 Annual Member Survey.

We strive to make it easy for members to engage with the Fund, which they do at a high rate. Many of our members frequently transact with their accounts and generally take action to make sure their super is working for them.

Member services



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

99% of members registered for SuperOnline, compared to Chant West's industry median of 57%, with an 8.6 out of 10 member satisfaction rating. Website satisfaction rated 8.2 out of 10. Outbound communication continues to be high, with a 44% open rate for emails. There was a 25% increase in the number of members using the app over the 12 month period to 30 June 2024, which now account for 43% of all member login activity.

Chant West awarded TelstraSuper with the highest level of quality for digital engagement.



Contact centre

Internally hosted contact centre with a satisfaction rating of 8.3 out of 10.



Financial advice

Full advice service ranging from simple phone based to comprehensive advice. Member satisfaction for those that have had a financial planning consultation is very high with an 8.4 out of 10 satisfaction score.



Member education

Offered both online and in-person for member convenience and flexibility. High satisfaction of 8.3 out of 10 for education seminars.



Tailored communication and information

Regular emails and newsletter, tailored to members' lifestages, plus a yearly statement.

07 Options, benefits and facilities for members

Importantly, our member contact centre and administration services are provided by dedicated teams at TelstraSuper rather than outsourced.

TelstraSuper is one of the few super funds which offers members a dedicated professional financial advice service through TelstraSuper Financial Planning. This includes limited and general advice with the cost covered by the Fund, a 'Step It Up' service for members seeking further information on specific topics such as transitioning to retirement, reviewing investments and savings goals, through to a comprehensive service is offered at competitive costs.

Members who've used the advice services have a very high level of satisfaction rating, with member satisfaction between 8.2 and 8.4 out of 10 for the range of services provided, an increase on the previous year across all tracked metrics.

Compared to the broader superannuation fund industry, TelstraSuper members are older than average with above average balances. To meet their needs we provide services to

support these members during both the accumulation phase of their superannuation and the decumulation, or retirement, phase. The strongest growth has been in TelstraSuper RetireAccess, and the Fund has increased its focus on enhancing services for retired members.

TelstraSuper was named Best Fund Innovation 2024 by Chant West and has maintained the highest-level Platinum rating from Super Ratings and the highest level 5 apples rating from Chant West.

08

Determinations for the financial year ending 30 June 2024

Taking into account all aspects of the Member Outcomes Assessment, the metrics and outcomes reviewed indicate that, as at 30 June 2024, TelstraSuper is delivering on the intended outcomes for members. It is expected that in merging with Equip Super, the fund will maintain a competitive position into the future enabling the continued delivery of the intended member outcomes.

At a fund level, the Trustee has determined:

- Because of the scale of the Trustee's business operations, members are not being disadvantaged. The future merger with EquipSuper will ensure the ongoing scale and sustainability of the Fund
- Operating costs are not inappropriately affecting the financial interests of members
- The basis of setting fees is appropriate for members
- The options, benefits and facilities offered are appropriate for members
- The investment strategy, including the level of investment risk and return targets across each option, is appropriate for members
- The insurance strategy is appropriate for members.

MySuper product determination

The Trustee has determined that the financial interests of TelstraSuper Corporate Plus and TelstraSuper Personal Plus MySuper members are being promoted by the Trustee.

Choice product determination

The Trustee has determined that the financial interests of TelstraSuper Corporate Plus and TelstraSuper Personal Plus Choice members are being promoted by the Trustee.

Defined Benefit determination

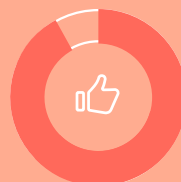
The Trustee has determined that the financial interests of Defined Benefit members are being promoted by the Trustee.

RetireAccess Allocated Pension determination

The Trustee has determined that the financial interests of TelstraSuper RetireAccess members are being promoted by the Trustee.



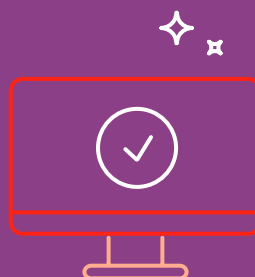
96,072
member accounts



9 out of 10
satisfaction rating by 56%
of members surveyed



ranked 2nd highest by members
in Net Promoter Score



8.6 out of 10
satisfaction rating with digital
channels provided

4 out of 5

TelstraSuper members are on
track to retire with a Mid-Level or
Comfortable income



range of financial planning options
from simple, general advice at no
additional cost to competitively
priced comprehensive advice



\$27.28 billion
assets under management



8.3 out of 10
average satisfaction
score with contact centre

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).
Telephone 1300 033 166 Website telstrasuper.com.au

This document was prepared and issued in March 2025 and is subject to change. Any general advice included does not take account of your personal circumstances, financial situation or needs. Before making a decision consider if the information is right for you and refer to the relevant product disclosure statement and target market determination available at telstrasuper.com.au. Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns.