Telstra Super DB Fund

Report on the Actuarial Review as at 30 June 2026

26 August 2026

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Reliance statement and data

This report is provided subject to the terms set out herein and agreed with you under our Statement of Work dated 13 February 2026 and signed 15 April 2026, and the Terms & Conditions contained in the Master Services Agreement between WTW and Aware Super dated 9 September 2025. This report is provided solely for the Trustee's use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

The Trustee may make a copy of this report available to its auditors, Telstra Group Limited and to any person to whom the Trustee may be required to provide a copy under relevant legislation, but we make no representation as to the suitability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability to the Trustee's auditors, Telstra Group Limited or any third party in this regard.

In conducting this actuarial review, we have relied upon information and data provided to us orally and in writing by the Trustee and other persons or organisations designated by the Trustee. We have relied on all the data and information provided, including Fund provisions, membership data and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for consistency.

In our opinion, all calculations are in accordance with requirements of applicable legislative requirements, and the procedures followed and the results presented conform to applicable actuarial standards of practice.

Section 1: Purpose of the actuarial review

The TelstraSuper DB Fund (the Fund), Division 3F in the Aware Super Consolidated Rules (the Fund Rules) dated 30 April 2026, provides superannuation benefits to the employees of Telstra Group Limited (Telstra) and other entities that it controls. The Fund provides defined benefit (DB) style benefits. A summary of the Fund and the benefits it provides is provided in Appendix A.

This actuarial review is presented to the Trustee in my capacity as Fund Actuary. This is the first actuarial review conducted since the Successor Fund Transfer (SFT) of DB members from the Telstra Superannuation Scheme into Aware Super effective 1 May 2026. This actuarial review only considers members in the Fund, that is members covered by Division 3F of the Fund Rules.

Legislation covering the operation of superannuation funds in Australia requires actuarial investigations of DB funds (with no lifetime pension liabilities) to be made at intervals of not more than three years. This investigation is made as at 30 June 2026 and is presented to Aware Super by Travis Dickinson FIAA, of WTW, Actuary to the Telstra Super DB Fund.

The main aims of this report are:

- to identify the long term funding rate of the Fund's benefits and to recommend the rate at which Telstra should contribute to the Fund in accordance with Rule 3.1 of the Division 3F of the Fund Rules;
- to assess TelstraSuper's financial position and identify and address issues relating to its short to medium term financial position; and
- to meet the requirements of Superannuation Prudential Standard SPS 160 Defined Benefit Matters (SPS 160) that requires:
  - regular actuarial investigations of funds with no lifetime pension liabilities to be completed at least every three years; and
  - regular actuarial oversight of self-insurance.

SPS 160 sets out legislative requirements for actuarial investigations including that the investigation consider the solvency and financial position of the Fund both as at the investigation date and during the ensuing three years. This report has been completed meeting the requirements of the relevant professional standards of the Actuaries Institute including PS 400, PS402 and PS404.

The previous actuarial review of the Fund was carried out by me, as at 30 June 2024, with the results of that review set out in a report dated 12 December 2024.

An examination of the financial position at 30 June 2024 indicated that the Fund was in a sound financial position in relation to defined benefits. We are satisfied that the recommendations of the previous actuarial investigation were followed.

The next actuarial review of the Fund should be conducted no later than as at 30 June 2029.

Section 2: Key observations and recommendations

The Fund was in a satisfactory financial position as at 30 June 2026 as indicated by a DB Vested Benefit Index (VBI) of 108.9%. The Fund remains in a satisfactory position when considered as a going concern as indicated by a Discounted Accrued Benefit Index (DABI) of 116.8%. The Fund is also not technically insolvent under SIS legislation.

We recommend that:

- Telstra and associated employers contribute:
  - at a rate of 5% of salaries for the next four years to 30 June 2030, by which time the results of the next Actuarial Triennial Investigation will be available. This contribution rate should be reviewed by the Actuary if the VBI falls to below 105%; and
  - any salary sacrifice contributions;
- the Shortfall Limit be set by the Trustee at 100%;
- in line with my previous advice, the self-insurance reserve be set to zero and no longer maintained; and
- the next actuarial investigation be completed no later than 30 June 2029.

We consider to be appropriate:

- the long term investment objectives and strategy adopted by the Trustee; and
- the level of coverage of external insurance and self-insurance reserves (see Appendix B).

I am not aware of any event subsequent to 30 June 2026 that materially impacts my recommendations.

Section 3: Membership

The maintenance of member records, payment of benefits and other administrative tasks is undertaken by Aware Super. Aware Super provided files containing data in respect of Fund's DB members as at 30 June 2026 and in respect of members who had left the Fund between 1 May 2026 and 30 June 2026. Telstra Super provided data as at the date of the previous actuarial review and in respect of members who had left between 1 July 2024 and 30 April 2026 (i.e. before the SFT to Aware Super).

We have relied on the data provided in our calculations, and the findings in this report are limited to the accuracy of the data provided. While we have performed detailed checks to confirm the overall reasonableness of the data, and we are satisfied that there are no discrepancies that would have a material effect on the results of this investigation, it is not possible to be certain that no errors exist in a database of this complexity and size.

At 30 June 2024 there were two closed DB divisions in Telstra Super, Division 2 and Division 5. The members in these two DB divisions were transferred to Division 3F, in Aware Super. The following table provides a reconciliation of the change in the number of members at 30 June 2024 and 30 June 2026.

Changes in membership – 2 Years Ending 30 June 2026				
	Division 2	Division 5	Division 3F	Total
Number at 30 June 2024	**1,856**	**12**	**-**	**1,868**
Exits by Benefit Type				
• Death	(9)	-	-	**(9)**
• Disablement	-	-	-	**-**
• Retirement	(55)	(1)	-	**(56)**
• Retrenchment	(263)	(5)	-	**(268)**
• Resignation and Transfer to other fund	(9)	-	-	**(9)**
Total exits	**(336)**	**(6)**	**-**	**(342)**
SFT transfer to Division 3F	(1,520)	(6)	-	-
Number at 30 June 2026	**-**	**-**	**1,526**	**1,526**

Key membership statistics in respect of for Division 3F are summarised below:

	30 June 2024[1]	30 June 2026
Number of Members	1,868	1,526
Average Age (years)	58.9	58.5
Average Past Membership[2] (years)	36.0	35.8
Average Salary	116,648	127,664

1 Includes Division 2 and Division 5 members
2 Including Previous Fund Membership

The benefits that members accrue depend on the rate of member contribution chosen. The maximum level of employer-financed benefit occurs when a member contributes at a rate of 5% of salary or more. The member may contribute less than 5% for a period and then contribute more than 5% as a "catch-up", but in determining a member's benefit, their average contribution rate over their full membership cannot exceed 5%.

The table below shows the distribution of member contribution rates (MCR) as at both 30 June 2024 and 30 June 2026. The results show that the distribution of contribution rates have remained reasonably consistent, with the average member contribution rate for members increasing from 5.6% at 30 June 2024 to 5.7% at 30 June 2026.

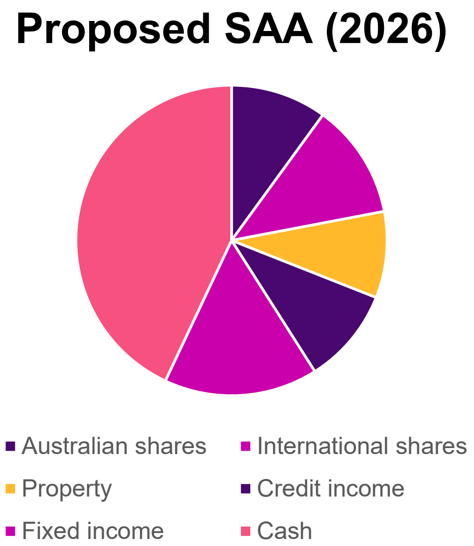
MCR	Distribution of Members			
(% of Salary)	30 June 2024		30 June 2026	
	Number	Proportion	Number	Proportion
Nil	133	7%	89	6%
1%	14	1%	11	1%
2%	14	1%	12	1%
3%	26	1%	18	1%
4%	6	0%	6	0%
5%	**1,159**	**62%**	**953**	**62%**
6%	73	4%	76	5%
7%	49	3%	48	3%
8%	33	2%	27	2%
9%	13	1%	11	1%
10%	336	18%	275	18%
Total	**1,856**	**100%**	**1,526**	**100%**
Average MCR	**5.6%**		**5.7%**	

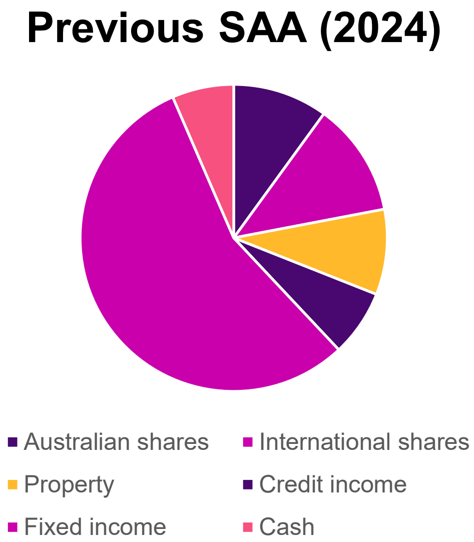
Section 4: Assets and investment strategy

Financial information for the actuarial review, including the value of the market value of the DB assets, was obtained from Aware Super as at 30 June 2026. We consider using the market value of assets to be reasonable for the purpose of this actuarial review and consistent with the method and assumptions used for determining the Fund's liabilities. We have relied on the information provided and we are satisfied that the information appears to be correct based on our knowledge of the Fund.

At 30 June 2026 the market value of assets attributable to the Fund's DB members was $1,363.493m. The Fund's DB members also had voluntary accumulation accounts that totalled $66.491m as at 30 June 2026. Members' voluntary accumulation accounts are excluded from the calculation of the funding ratios in Section 6.

At a high level the high level the Strategic Asset Allocation (SAA) is very similar to what it was at the time of the 30 June 2024 actuarial investigation. At that time, the DB investment strategy had 29% growth, 71% defensive asset allocation and this was maintained on moving to Aware Super. At a more detailed level there has been an increase in the allocation to cash and credit and a reduction in the allocation to fixed income although Aware Super informed us that this change is largely due to differences in asset class classification.





The overall objective of the Trustee in relation to the Fund is to create target investment return objectives that match the risk appetite of Telstra, who ultimately bears the investment risk of the portfolio. The long term investment objectives and strategy adopted by the Trustee in respect of the DB assets continues to be within the range that we consider to be appropriate.

See Appendix C for further details about the Fund's assets and investment strategy.

Section 5: Key assumptions

It is generally not possible to know the amount and the timing of all of the elements that make up the Fund's future income and expenditure. It is therefore necessary to estimate this income and expenditure based on a set of assumptions about future experience. The key assumptions used for the actuarial review are set out in the following table.

Financial assumption	30 June 2024	30 June 2026
Rate of Investment Return	4.6% p.a.	5.0% p.a.
Rate of Inflationary Salary Increases	3.5% p.a.	3.5% p.a.
Real Rate of Return (excluding the impact of promotional salary increases)	1.1% p.a.	1.5% p.a.

The assumption of major significance in the actuarial review of the Fund's accrued benefit liabilities and resulting contributions is the difference (or 'gap') between the assumed future rate of investment earnings and the assumed rate of future growth in salaries. These factors are offset against each other in their financial effect and therefore it is the difference between the rates that is important rather than the absolute values ascribed to them. The larger the gap the lower the value placed on the accrued benefit liabilities and the lower the resulting required employer contribution rate.

The gap for this actuarial review has increased since the previous review due to changes in the future market return expectations of the Fund's DB investment portfolio.

Summaries of the funding method and assumptions used in this actuarial review are included in Appendix D and Appendix E respectively. A comparison of the previous demographic assumptions with the Fund's actual experience over the past two years is set out in Appendix F.

Section 6: Solvency and other measures of financial position

When assessing the adequacy of the DB assets, both the long term funding and short term solvency positions should be considered. The primary funding measures considered for this purpose were:

- ***Vested Benefit Index (VBI)***

  This index represents the ratio of the market value of assets less reserves to the 'vested benefits'. The value of vested benefits represents the total amount that the Fund would be required to pay if all Members were to voluntarily leave service on the actuarial review date. A VBI greater than or equal to 100% indicates that a fund would have been able to meet its obligations if all Members had voluntarily left at the actuarial review date – that is, it is in a 'satisfactory financial position'. This is the measure used by the Trustee to regularly monitor the financial position of the Fund.

  The VBI for the Fund at this review date and the previous review date are shown below.

Vested benefit	30 June 2024	30 June 2026
DB assets ($m)[1]	1,476.6	1,363.5
Vested benefits ($m)[1]	1,374.1	1,252.2
DB surplus / (deficit) ($m)	**102.5**	**111.3**
VBI	**107.5%**	**108.9%**

1. Excludes members' voluntary accumulation accounts.

  The VBI has improved over the two year period to 30 June 2026 and remained above the 100% threshold during the period. It is thus in a satisfactory financial position as at 30 June 2026 under the meaning given in SPS 160.

  From the previous investigation as at 30 June 2024, the VBI was expected to remain broadly stable at around 107% to 30 June 2026. However, the VBI has increased by more than expected due to the actual real investment return being higher than expected.

  The vested benefits and retrenchment benefits for the vast majority of defined benefit members are identical, therefore the coverage of retrenchment benefits would be very similar to the coverage of vested benefits. As such, we have not considered the coverage of retrenchment benefits any further in this investigation.

- ***Discounted Accrued Benefit Index (DABI)***

  This index represents the ratio of the market value of assets less reserves to the present value of the accrued benefits of Members. The present value of accrued benefits represents the value of expected future benefit payments arising in respect of membership of the Fund up to 30 June 2026.

  The calculation of this measure allows for the timing of future benefit payments (based on expected rates of resignation, retirement, death and disability) and future salary increases to the assumed date of exit. As was the case for the 30 June 2024 actuarial investigation, because external insurance is in place, the calculation excludes any amount in respect of the future service component of the externally insured component of these benefits.

The DABI is a simple measure of a fund's strength on a 'going concern' basis. The DABI for the Fund at this review date and the previous review date are shown below.

Accrued benefit	30 June 2024	30 June 2026
DB assets ($m)[1]	1,476.6	1,363.5
Discounted accrued benefits ($m)[1]	1,297.8	1,167.6
DB surplus / (deficit) ($m)	**178.8**	**195.8**
DABI	**113.8%**	**116.8%**

1. Excludes members' voluntary accumulation accounts that totalled $66.491m.

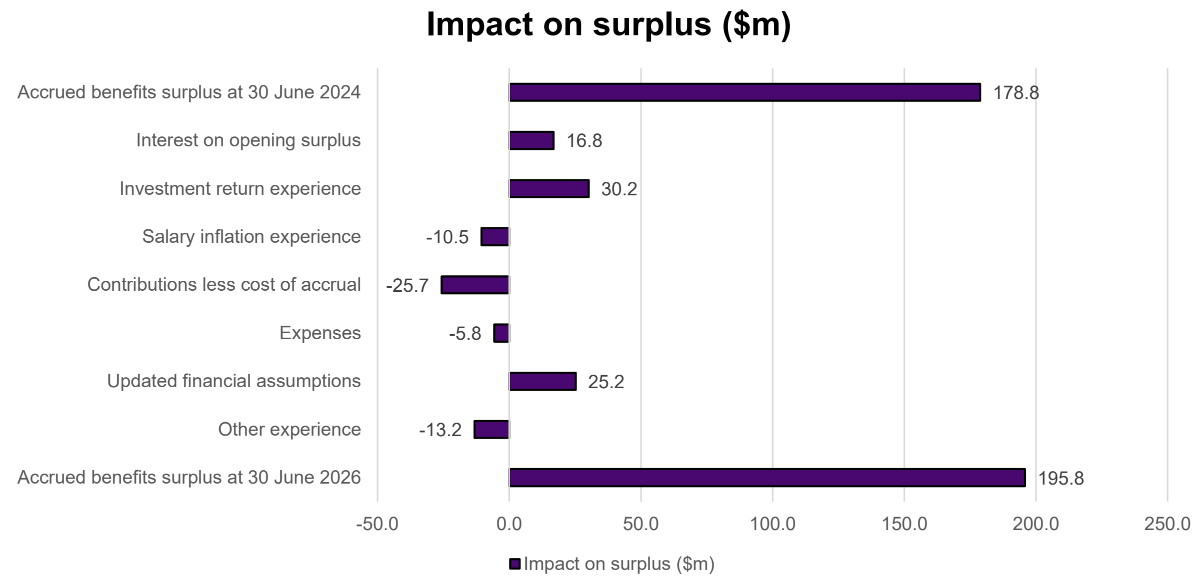
The DABI has increased since 30 June 2024 primarily due to the actual real investment return being higher than expected and the increase in the assumed investment return, which results in a lower value being placed on the Fund's accrued benefit liabilities.

With the defined benefit assets in the Fund expected to be invested in primarily defensive assets, and with the defined benefit membership categories closed to new members, over time, as the membership ages and the period of discounting in the DABI reduces, it is expected that the DABI will move closer to the VBI.

Observations and conclusions

Since 30 June 2024 actuarial review the funding position, on all measures, has improved and the Fund was still considered to be in a strong position as at 30 June 2026.

The DABI surplus has increased due to the interest earned on the surplus at 30 June 2024, returns being higher than assumed and the increase in forward-looking 'gap' (i.e. the difference between the discount rate and wage inflation assumption). This was partially offset by higher than assumed salary inflation and agreed contributions being less than the cost of benefits and expenses that were accrued over the inter-valuation period. This is illustrated in the following chart that provides an analysis of the change in the accrued benefits surplus from 30 June 2024 to 30 June 2026.



The actual investment returns of the DB assets over the two years to 30 June 2026 were 5.7% p.a. compared to an assumed return of 4.6% p.a. This is shown as a positive experience item in the previous chart.

Appendix G includes the comments we are required to make regarding the coverage of the Minimum Requisite Benefits, as defined in the Superannuation Guarantee legislation, and the benefits payable on the termination of the Fund.

Section 7: Recommended employer contributions

Long Term Funding Results

Under the Aggregate Funding Method (see Appendix D), a long term contribution rate is calculated that, alongside existing assets and investment returns, is expected to be sufficient to meet all future benefit payments assuming that actual experience is in line with that assumed. The long term results of the investigation as at 30 June 2026 using the Aggregate Funding method are summarised in the following table:

As at 30 June 2026	$ million
Total Service Liabilities in respect of Defined Benefit Members	**1381.2**[1]
Retirement and Resignation	
Death and Total and Permanent Disablement	
Present value of future administration costs	16.2
Total	**1,397.3**
Value of Assets supporting Defined Benefits:	
Present Value of Future Member Contributions (net of tax)	63.6
Market Value of Assets	1,363.5
Total Value of Assets supporting Defined Benefits	**1,427.1**
Value of Liabilities to be funded by Future Employer Contributions	(29.8)
Present Value of 1% of future defined benefit salaries	11.4
Resulting Aggregate Employer Contribution rate	-2.6%
Aggregate Employer Contribution Rate allowing for contributions tax	**-3.1%**

1. Excludes members' voluntary accumulation accounts.

The table shows that, if future experience is as expected, the current assets and expected future member contributions would be expected to be sufficient to fund the future benefits payable and as such the Company could cease contributions to the Fund.

At the previous actuarial investigation, the required long-term contribution rate was calculated to be 2.2% of salaries. This rate has reduced due to the following key factors:

- **Impact of actual experience** (i.e. investment return, salary increases and employer contributions) decreased the rate by 2.0%. This is primarily due to:
  - the actual asset return over the period (5.7% p.a.) being higher than expected (4.6% p.a.);
  - the actual employer contributions being higher than the long-term rate in the prior valuation; and
  - actual salary inflation (3.9% p.a.) being lower than expected (3.5% p.a. plus approximate promotional increases of 0.6% p.a.).

- **Long-term assumptions:** Changing the long-term discount rate from 4.6% p.a. to 5.0% p.a. decreased the contribution rate by 3.4%. This is due to the overall gap (discount rate minus salary inflation) changing from 1.1% p.a. to 1.5% p.a., with a higher gap resulting in a lower liability as the impact of discounting future cashflows on the liabilities is greater.

The following table estimates the impact of the key factors that have led to the change in the long term Aggregate Funding Method contribution rate.

	Impact on contribution rate
Initial long-term contribution rate at 30 June 2024	**2.2%**
Impact of contributions and asset/liability experience over last 3 years	-2.0%
Change to due financial assumption	-3.4%
Final long-term contribution rate at 30 June 2026	**-3.1%**

Contribution Rate if VBI 100%

To supplement the above discussion on the recommended contribution rate, it is worthwhile considering what the required contribution rate under the Aggregate Funding Method would be if the VBI as at 30 June 2026 was 100%, i.e. there was no surplus over vested benefits to assist funding future benefits. If future experience was worse than expected (and so the excess over vested benefits was reduced), this gives an indication of the contribution rate that may be required to be made by Telstra.

If the VBI was 100% (i.e. assets and vested benefits both equal to $1,252.2 million) rather than 109%, the long term required employer contribution rate would increase from -3.1% to 8.4% of salary.

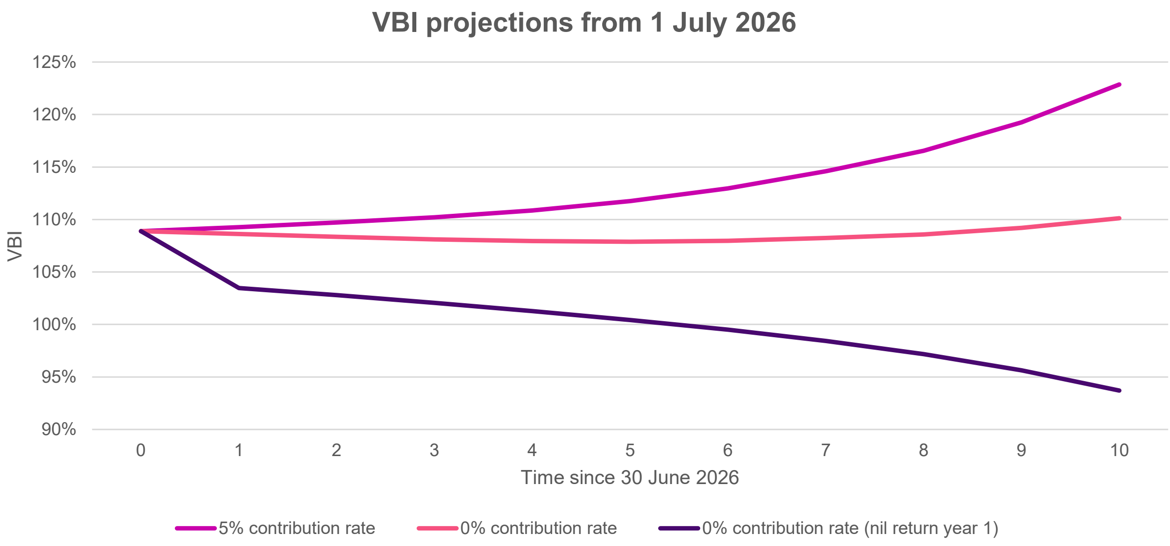
As at 30 June 2024	$ million
Total Service Liabilities in respect of defined benefit members:	**1,397.3**[1]
Value of Assets supporting defined benefits:	
Present Value of Future Member Contributions (net of tax)	63.6
Market Value of Assets equal to Vested Benefits	1,252.2
Total Value of Assets supporting Defined Benefits	**1,315.8**
Value of Liabilities to be funded by Future Employer Contributions	81.5
Present Value of 1% of future defined benefit salaries	11.4
Resulting Aggregate Employer Contribution Rate	7.1%
Aggregate Employer Contribution Rate allowing for contributions tax	**8.4%**

1. Excludes members' voluntary accumulation accounts.

This rate of 8.4% is higher than the rate of -3.1% calculated in the section above, reflecting the fact that the existing surplus (and the investment earnings on surplus) are being used in lieu of employer contributions to meet benefit payments as they fall due.

Sensitivity of results to experience and financial assumptions

The following chart illustrates the projected VBI under two contribution levels, namely if Telstra continues to contribute at 5% of defined benefit members' salaries or alternatively if it ceases paying contributions. In these projections it is assumed that future experience will be as expected. The chart also includes the projected financial position of an adverse return scenario where it is assumed that the investment return for the year to 30 June 2027 is 0%, with all other experience as expected. This adverse return scenario illustrates the sensitivity of the projection to investment returns. In this adverse scenario we have assumed that Telstra has ceased paying contributions.

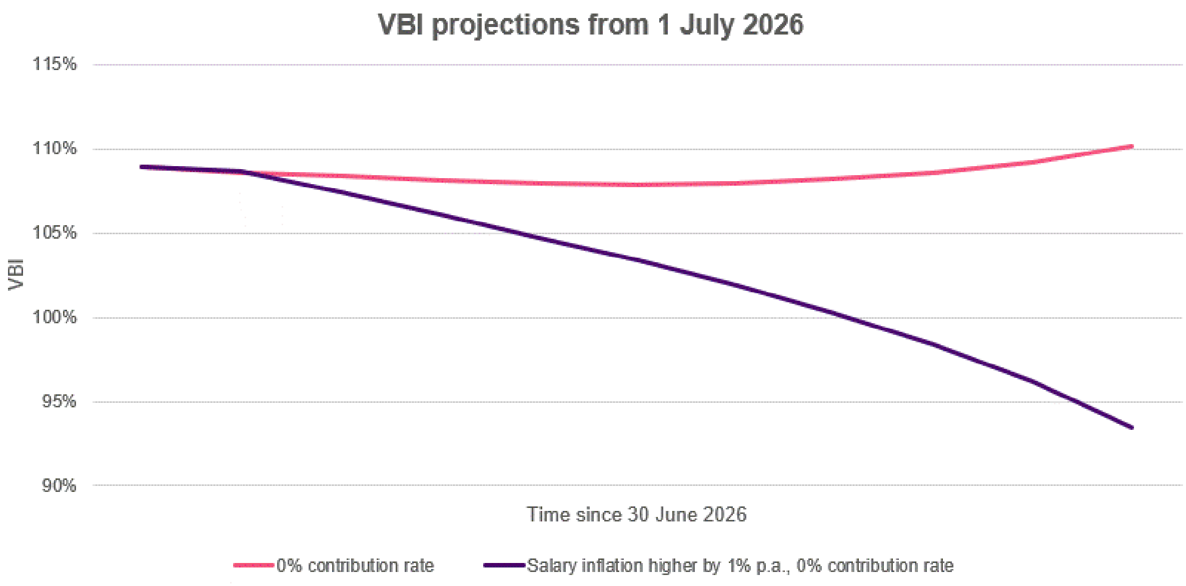


The previous chart shows that in the scenario where contributions remain at 5% of members' salaries, the VBI remains at approximately 110% for the next three years before increasing to over 120% over the following seven years. If the Company were to cease paying contributions, the VBI is expected to remain stable at between approximately 108% and 110% over the next 10 years. Therefore, this chart confirms that under the base assumptions considered, the Company could cease paying contributions and for the VBI to be expected to remain above 105%.

The valuation results are sensitive to the financial assumptions, in particular the 'gap' between the assumed future investment return and salary growth as this reflects the expected rate of growth in the assets compared to the growth in the liabilities. They are less sensitive to changes in the decrement assumptions.

The impact of adopting a 'gap' that is 1% p.a. lower than the gap assumed would be an increase in the required long-term future service contribution rate of approximately 7.3% of salaries (from -3.1% of salaries to 4.2% of salaries) – reflecting that less of the benefits would be funded by investment returns and so the employer contributions may need to be increased. The impact of a 1% p.a. higher gap would reduce the required contribution rate by a similar amount.

The following chart shows how the VBI would be expected to change over the next 10 years if Telstra were to cease paying contributions and salary increases from 1 July 2026 are higher by 1% p.a. with all other experience being as expected.



It can be observed that, similar to the adverse return scenario, higher salary inflation could result in reduction in the VBI over the long-term. The VBI is expected to fall below 105% but not until the results of the next valuation have been made available.

Note that the above sensitivities and scenarios are provided as examples. They do not represent the best or worst cases that could occur. More extreme outcomes are also possible.

Employers

As noted earlier in this report, in 2023 Telstra completed a corporate restructure that established Telstra Group Limited as the Principal Employer of the Fund. Under the Trust Deed, contributions are to be determined by the Principal Employer after obtaining the advice of the Actuary and in consultation with the Trustee.

We have previously discussed with Telstra, who confirmed its preference that a uniform contribution rate be applied for all employers with respect to the funding of defined benefits under the current circumstances. Based on this, we have not performed separate experience analysis, maintained notional assets for each employer or determined separate funding arrangements for each employer, although we are not aware of any particular circumstances that would indicate that the theoretical contribution rates calculated would be different.

Should Telstra's preferences with respect to this change in the future, additional analysis may be required to ascertain the ongoing future contribution requirements for each employer sponsoring defined benefits in the Fund.

Conclusion

The results of the analysis in this section indicate that based on the Aggregate Funding Method, the Fund's existing assets along with future member contributions are expected to be sufficient to meet all future benefit payments and maintain the VBI above 100%.

While the analysis shows that on an expected basis consideration could be given to reducing the contribution rate, based on discussions with Telstra it was agreed that the current employer contribution rate of 5% of salaries would continue. This is expected to result in the VBI steadily increasing to approximately 110% over the next three years. As is currently the case, the required contribution level should be reviewed should the VBI fall below 105%.

We therefore recommend that:

- with respect to defined benefits, Telstra make contributions of 5% of salary until 30 June 2030 (i.e. one year after the date of the next actuarial investigation);
- if the VBI reduces to 105%, that the contribution rate be reviewed and potentially increased as deemed appropriate by the Actuary.

Telstra should also contribute to the Fund any salary sacrifice contributions.

Section 8: Sensitivity of Results

The future financial positions of the Fund will ultimately depend upon the actual experience of the Fund. While the actuarial assumptions seek to estimate that experience there is a material risk arising from variation against those assumptions. Accordingly, we have also performed the actuarial review on alternative economic scenarios where the future salary inflation assumption is assumed to be 1% p.a. higher and 1% p.a. lower. Note that the variation in selected sensitivity analysis is for illustrative purposes and does not indicate upper or lower bounds of all possible outcomes.

	Baseline results	Salary inflation +1% p.a.	Salary inflation -1% p.a.
DB accrued benefits liability ($m)[1]	1,167.6	1,223.2	1,116.3
Change ($m)		55.6	-51.4

1. Excludes members' voluntary accumulation accounts.

Changes to long term investment assumptions would also impact the calculation of the long term contribution rate.

Division	Baseline results	Salary inflation +1% p.a.	Salary inflation -1% p.a.
Aggregate employer contribution rate	-3.1%	4.2%	-10.4%

Section 9: Material Risks

There are numerous material risks for the Fund associated with the actuarial assumptions or actuarial management of the Fund. If adverse outcomes relating to these risks occur then the financial position of the VBI would be adversely affected. For example, a VBI above 100% may fall below 100%, it may take longer than expected for a VBI below 100% to return to 100%, or it may become necessary for Telstra to make additional contributions.

Risk	Approach taken to risk
Investment returns on the existing assets could be insufficient to meet the Trustee's funding objectives	The Trustee takes advice from the Actuary on assumptions relating to future investment returns. In setting the future contributions, the Actuary considers the effect on the future financial position if investment returns are less than expected. The Fund's VBI is monitored monthly and the overall funding strategy is reviewed at least every three years at subsequent actuarial reviews.
Price inflation or salary increases could be higher than assumed	The liabilities are linked to salary and therefore a higher-than-expected rate of salary inflation could have a negative impact on the Fund's financial position unless offset by corresponding changes to investment rates. The Trustee invests in assets that are expected to be correlated, to some extent, to future inflation in the longer term (e.g. equities, property, index-linked bonds).
Telstra removes support for the Fund	The continuation of the Fund is dependent on the continued funding support of Telstra. If Telstra was unwilling or unable to pay contributions to the Fund, that may affect the ongoing viability of the Fund. The Trustee has regular dialogue with Telstra to ensure, as much as it can, that there are no surprises with regards required funding commitments and that the investment strategy is aligned to Telstra's risk appetite.
Credit risk of investments	Credit risk from the investments of the Fund is managed by the due diligence process undertaken when appointing investments managers, regular monitoring of those managers and by holding a diversified portfolio of assets.
Illiquidity of Fund assets	Most of the benefit payments of the Fund are expected to be made in lump sum form, therefore the Fund requires access to sufficient liquid assets to meet these payments as they fall due. The proportion of illiquid assets is monitored and stress tested.
Legislative changes lead to benefit cost increases	The Fund faces a variety of operational and other risks such as changes in taxation legislation which may in some circumstances lead to cost increases. The Trustee monitors and acts on such risks as part of their overall risk management framework.

*   *   *

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https://wtwonlineau.sharepoint.com/sites/tctclient_704240_TelSuper26/Documents/04.01_Actl_Valn/5_Deliverables/Telstra Super Actuarial Valuation Report_30June2026.docx

Appendix A: Fund summary

The Telstra Superannuation Scheme was established on 1 July 1990 to provide superannuation benefits for employees of the Australian Telecommunications Corporation. TelstraSuper was governed by the terms and provisions of the Trust Deed that was executed by the Australian Telecommunications Corporation and the Trustee of the Scheme.

From 1 February 1992, the Australian Telecommunications Corporation ceased to exist and the Australian and Overseas Telecommunications Corporation, later known as Telstra Corporation Ltd, assumed its role as principal employer under the TelstraSuper Trust Deed. In 2023 the Telstra Corporation Ltd completed a corporate restructure. Under the new structure, a new holding company Telstra Group Limited was established, with a number of subsidiaries under the holding company. As the controlling entity, Telstra Group Limited became the Principal Employer in TelstraSuper after the restructure.

In this report, references to Telstra refer to the Telstra Group Limited and the entities it controls. In addition, references to Telstra also include these other Associated Employers it controls, unless the reference notes it is specifically to Telstra Group Limited as the Principal Employer.

On 1 May 2026, the members of TelstraSuper were SFT'd to Aware Super. The TelstraSuper:

- accumulation members were transferred to the Aware Super Accumulation and Pension Division (Division 2B), and
- DB members were transferred to the TelstraSuper Defined Benefit Members Division (Division 3F in Aware Super)

Summary of Benefits and Conditions for members of Division 3F

This report is based on the Consolidated Rules for Aware Super dated 30 April 2026. Division 3F of these Rules related to the TelstraSuper Defined Benefit Members. For a full description of benefits applicable to members of the Fund, the Fund Rules should be referred to in the first instance. Should the benefits summarised in this document differ from those in the Fund Rules, the provisions of the Fund Rules apply.

Definitions

Salary

The rate of normal permanent salary received by the member on his last birthday.

Final Average Salary (FAS)

The average of the member's Salaries on the three birthdays before exit.

Division 3F Membership

Membership generally comprises the period during which the member:

- was a member of Division 2 of TelstraSuper (i.e. prior to SFT), and
- is a member of Division 3F and is eligible to contribute to the Fund.

Contributions and Benefit Multiple

Members are allowed to contribute at a number of "standard rates". They are also allowed to contribute at a number of "catch up" rates. The accrual of the member's benefit multiple is dependent on the member's contribution rate, as follows:

Standard rates:

Member Contribution Rate (% of Salary)	Benefit Multiple Accrual Rate
0%	8.0%
1%	10.4%
2%	12.8%
3%	15.2%
4%	17.6%
5%	20.0%

Catch-Up Rates

Member Contribution Rate (% of Salary)	Benefit Multiple Accrual Rate
6%	21.0%
7%	22.0%
8%	23.0%
9%	24.0%
10%	25.0%

Accrued Benefit Multiple

The Accrued Benefit Multiple for a member is the sum of:

a. the lesser of the member's Fund Multiple (FM) and the member's Constant 5% Multiple (CM5); where

- the member's Fund Multiple (FM) is calculated as the sum, for all values of C, of

  (8% + 2.4 x C) x FMC

  where: C = Member contribution rate; and

  FMC = Division 3F Membership during which the member contributed at rate C

- the member's Constant 5% Multiple (CM5) is 20% times Division 3F Membership

b. the member's Excess Contributions Multiple calculated as the greater of zero and

$$\frac{(FM - CM5)}{2.4}$$

c. in the case of a former CSS member, the sum of:

- 20% times the member's Credited CSS Service; and
- the member's Supplementary CSS Multiple.

d. in respect of a member who immediately prior to the SFT was designated by the TelstraSuper Trustee as a member of Division 5 under the trust deed for the TelstraSuper, the Transfer Multiple.

Benefits payable to members

All Benefits

The members' Other Division Benefit and Voluntary Account Balance as defined in the Fund Rules are payable in addition to the following benefits. All benefits are subject to a minimum of the Minimum Requisite Benefit as defined in the Benefit Certificate of the Fund.

Retrenchment or Retirement

On retirement on or after age 55 or on retrenchment, the member will receive a lump sum benefit equal to the member's Accrued Retirement Benefit, which is the Accrued Benefit Multiple times FAS.

Resignation

As all members now have over five years of Membership, an amount equal to the Member's Accrued Retirement Benefit is payable on resignation.

Death and Total and Permanent Disablement

On death or total and permanent disablement before age 60 the benefit is calculated as the sum of:

a. The member's Accrued Retirement Benefit as at the date of death; and
b. If the member dies before attaining the age of 60 years, the amount determined according to the formula 20% x FAS x FM60, where FM60 is the number of years (and fractions thereof) between the date of death and the member's 60th birthday. FM60 is adjusted for the average part-time hours worked over the two years prior to becoming entitled to a death or disablement benefit.

Part (b) is externally insured with TAL for current members.

Special arrangements are in place with regards the Death and Total and Permanent Disablement payable to members who immediately prior to the SFT were designated by the TelstraSuper Trustee as a member of Division 5 under the Trust Deed for the TelstraSuper.

Appendix B: Self-insurance reserves

Member benefits on death or disablement generally exceed the value of the benefits accrued for membership to the date of death or disablement. The excess represents the prospective component of the benefit, i.e. amounts in respect of membership from the date of death or disablement to retirement age. In addition, an income benefit is also payable to former Division 5 members who suffers a Total Disability as defined under the Trust Deed.

Claims incurred on or after 1 November 2014 are externally insured and as such are not considered to pose any material risk to the funding position. However, claims incurred prior to 26 September 2005, and claims incurred between 26 September 2005 and 31 October 2014 (inclusive) and lodged before 1 November 2014, are self-insured.

The Fund's self-insurance arrangement was last reviewed as part of the actuarial review carried out as at 30 June 2024. During the three-year period to 30 June 2024, there were no DB disablement claims reported (and admitted) to the TelstraSuper with a date incurred prior to 31 October 2014. Therefore, there was no call on the self-insurance reserves. Nevertheless, it was recommended that the TelstraSuper trustee maintains a self-insurance reserve of $2m in respect of possible incurred but not yet reported self-insurance claims.

In the lead up to the SFT of members from TelstraSuper to Aware Super the Fund's self-insurance arrangements were reviewed again. Given that self-insurance claims would need to have a lag period (i.e. the difference between the date the injury occurred and the date that the claim was reported) of over twelve years, the likelihood of a future claim is very low (albeit not zero). Considering this it was recommended that the self-insurance reserve be set to nil at the SFT date and no longer maintained.

If in future a claim with a date incurred on or before 31 October 2014 does arise, it can be paid from the DB assets without any expected material impact on funding.

Appendix C: Assets

The table below shows the current Strategic Asset Allocation (SAA) and SAA ranges for the DB division, which we have used to determine the financial assumptions for the purposes of this investigation.

	SAA Target*	SAA Range
Australian Equity	10%	0 – 25%
International Equity	12%	0 – 25%
Australian Property	9%	0 – 25%
Credit income	10%	0 – 25%
Fixed Interest Index	16%	0 – 80%
Cash	43%	0 – 80%
TOTAL ALLOCATION	**100%**	

The current investment strategy has 29% growth and 71% defensive assets. Under the agreed strategy, allocations to private equity, infrastructure and liquid alternatives up to a maximum allocation of 10% each are also permitted.

As Telstra bears the investment risk for the DB assets via increases or decreases in contribution rates, it needs to be comfortable with the level of risk it accepts. At the time, Telstra was consulted extensively in the development of the investment strategy, which are key inputs in deciding whether their preferred contribution arrangement is viable.

We consider the investment strategy outlined above to be within the range of reasonable strategies for the Fund, bearing in mind Telstra's preferences. The investment arrangements should be monitored and reviewed as the membership profile, funding position and the investment environment change.

Investment objectives

The Trustee has an asset return investment objective for the DB assets of achieving a return of at least CPI + 1% p.a. (net of fees and tax) over a rolling eight year time horizon.

Liquidity

Liquidity risk is the risk that Aware Super will encounter difficulty in raising funds to meet commitments, both in relation to benefits payable, fund costs and taxes or investment transactions. Illiquid assets within the portfolio are limited to 25% of the total assets and at 30 June 2026 the actual illiquid asset holding was 21%.

The Fund's assets are expected to be significantly cash flow negative because there have been no new members since 30 June 1999 and the average age of members is now well over 50. Overall, and in this context, we consider the approach being adopted in relation to liquidity management is reasonable.

Investment Returns – DB Assets

We have been provided with the earning rates on the Fund's investments for each of the two years prior to 30 June 2026. These returns, after tax and investment expenses, are as shown in the table below.

Period	Investment returns
1 July 2024 – 30 June 2025	6.0%
1 July 2025 – 30 June 2026	5.4%
1 July 2024 – 30 June 2026 (2 year average)	**5.7% p.a.**

Shortfall Limit

A Shortfall Limit is defined in paragraph 10 of SPS 160 as:

'the extent to which an RSE licensee considers that a fund can be in an unsatisfactory financial position with the RSE licensee still being able to reasonably expect that, because of corrections in the temporary negative market fluctuations in the value of fund assets, the fund can be restored to a satisfactory financial position within one year.'

Following discussions with Aware Super, and considering the Fund's current strategic asset allocation, we recommend that the Trustee set a Shortfall Limit of 100% for the Fund. This means that between actuarial investigations, a restoration plan to restore the VBI to 100% is required when the VBI reduces to below 100%. We consider a Shortfall Limit of 100% to be appropriate and consistent with SPS 160 and the Actuaries' Institute Practice Guideline that provides guidance on this issue.

Member Investment Choice

Member Investment Choice (MIC) is available to all define contribution accounts of members. Under MIC, members are entitled to select one or a mix of the investment strategies to apply to their accounts. Members may switch investment strategies. We understand that the assets of the members' accumulation accounts are segregated from the defined benefit assets.

Appendix D: Valuation method

General

Over the life of the Fund, the total income (mainly contributions and investment income) must be sufficient to meet the total expenditure (mainly benefits, tax and expenses). The funding method is the method by which the actuary considers the long term financial position of the Fund's DB members with a view to ensuring the assets will be sufficient over the long term to meet the liabilities as they arise.

For DB liabilities, a pool of assets is built up over time which is available to meet benefit and expense payments as they arise. The pool of assets is built up by member and employer contributions and investment income on assets already accumulated. The pool is reduced by benefit payments, tax and expenses.

The amount of benefits that the Fund will be liable to pay from the pool of assets in future cannot be known in advance since benefits depend on Members' salaries at their date of leaving, their completed membership at that date and their reason for leaving. The amount of future tax and expenses also cannot be known in advance. It is therefore necessary to estimate these future liabilities and hence the amount that will be required in the pool of assets.

The rate at which the Fund Sponsor contributes to the Fund is the primary inflow over which it can exercise control. The actuarial funding method is the method of determining this contribution rate.

A key purpose of conducting an actuarial investigation is therefore to assess the adequacy of the pace at which funding is taking place and to make recommendations as to the rate of employer contributions that provides an appropriate pace of funding in the future.

Rule 3.1 of the Fund Rules requires Telstra to contribute at the amount or rate of contributions it determines from time to time after obtaining the advice of the actuary and consulting the Trustee. One of the purposes of this report is recommend a contribution rate for Telstra.

Funding Method

As in previous investigations, we have presented the long term valuation results on the Aggregate Funding Method. The Aggregate Funding Method calculates the required contribution rate based on the difference between total assets and total service liabilities at the investigation date. It is a long term rate because any shortfall of current assets over the accrued benefit liabilities is assumed to be funded over the future working lifetime of current members (while any surplus of assets reduces the employer contribution required over that working lifetime).

Given that the Division 3F is closed to new entrants, we believe the Aggregate Funding Method is an appropriate method to use to determine the expected long term cost of the Fund's benefits. However, it is also appropriate to consider the short term solvency position to ensure that the VBI is expected to remain above 100%, to address the requirements of SPS 160 regarding funding levels as well as the preferences of Telstra.

Short Term Funding Considerations

The Aggregate Funding Method considers the pace of funding of benefits over the working lifetime of members, i.e. it considers the long term funding of benefits. However, short term funding concerns are also important, and funds are required to meet the requirements of SPS 160 in this respect.

If the net realisable value of assets is not sufficient to cover members' vested benefits, under SPS 160 the Fund is considered to be in an "Unsatisfactory Financial Position". If the VBI reduces to below 100% when an actuarial investigation is being completed, or below the Shortfall Limit (which we recommend is also set by the Trustee to be 100%) at some other time, SPS 160 requires a restoration plan to be put in place by the Trustee. The plan must be expected to restore the VBI to 100% within a time period that is reasonable in the circumstances, but which must not exceed three years.

Because of the SIS solvency requirements, and in particular the funding requirements under SPS 160, these short term measures are an important consideration in determining the pace of funding for Telstra and the Trustee.

Long term funding methods aim to produce an employer contribution rate that allows Aware Super to meet its benefit obligations as they arise. However, even if the employer contributes at the long term funding rate, from time to time the Fund's short term funding position could be at a level that the Trustee and employer consider inadequate, or that is below that specified by the legislation.

To ensure that due emphasis is placed on both the long term and short term funding requirements, we have considered:

- the long term employer contribution rate as calculated under the Aggregate Funding method (this indicates the expected emergence of the employer cost for existing members without regard to any short term funding requirements);
- the long term future service employer contribution rate, effectively the contribution rate calculated using the Aggregate Funding Method but assuming that there is neither a surplus or shortfall in the funding of vested benefits;
- the impact of Telstra continuing to contribute in accordance with the recommendations in this report;
- short term solvency measures to determine the required pace of funding necessary, over and above the long term contribution rate otherwise calculated, to maintain various short term solvency levels; and
- the sensitivity of the contribution rates to experience and assumptions.

Recommendations are then made based on these short term and long term considerations and the range of possible outcomes.

Projection of Funding Position

As a final stage in the process of assessing the funding position of the Fund and the required employer contribution rates, the expected funding position in future years is tested against the recommended contribution rates to ensure that those rates will be adequate. These projections also allow for various stress tests to be applied to the funding program.

Appendix E: Actuarial assumptions

It is generally not possible to know the amount, and in some cases the timing, of the elements that make up the Fund's future income and expenditure. It is therefore necessary to estimate this income and expenditure based on a set of assumptions about future experience. These assumptions are divided into two categories:

- financial assumptions relating to the rates of future investment returns, wage inflation and price inflation; and
- demographic assumptions relating to the rates of retirement, resignation, death and promotional salary increases.

While each of the assumptions used is normally the actuary's best estimate of future experience, in practice, the Fund's actual experience can always be expected to differ from the assumptions to some extent, especially in the short term. However, it is intended that over longer periods, and when all the assumptions are combined, they will provide a reasonable estimate of the future experience and financial position of the Fund.

A summary of the assumptions used in this actuarial review is set out below.

Financial assumptions

Rate of investment return

A flat rate of 5.0% p.a. compound (net of tax) has been assumed, net of investment expenses.

Aware Super provided us with its estimate of the future net of tax and investment fees return under the current SAA, which was 5.0% p.a. We compared this expected to one derived using the WTW Asset Model reflecting market conditions at 31 March 2026 and consider this estimate reasonable and have adopted it for this actuarial investigation. This can be compared to an assumption of 4.6% p.a. that was assumed at the previous actuarial investigation.

Salary inflation

A flat rate of 3.5% p.a. has been assumed.

At the previous actuarial investigation, it was assumed that salary inflation would be 3.5% p.a. Over the two-year period since the last actuarial investigation, actual salary inflation was estimated to be approximately 3.9% p.a. Based on our analysis of the salary experience and the latest information from Telstra, we have chosen to maintain the salary inflation assumption at 3.5% p.a. A promotional scale is also applied.

Real rate of investment return

The assumption of major significance in the valuation of the Fund's future benefit liabilities and contributions is the difference (or "gap") between the assumed future rate of investment earnings (net of tax and investment expense) and the assumed rate of future growth in salaries due to general wage increases, i.e. the real rate of return on invested assets. The difference between the rates is more important than the absolute values ascribed to them. The higher the real rate of return assumed, the lower the value placed on the liabilities (as more of the future funding is assumed to arise from investment earnings) and the lower the resulting estimated required employer contribution rate.

Assumption	30 June 2024	30 June 2026
Rate of Investment Return	4.6% p.a.	5.0% p.a.
Rate of Inflationary Salary Increases	3.5% p.a.	3.5% p.a.
Real Rate of Return (ignoring promotional salary increases)	1.1% p.a.	1.5% p.a.

In isolation, the increase in the assumed long-term real return (before allowing for promotional salary increases) has a positive impact on the assessment of the long term financial position.

Expenses

We will assume for this investigation that the administration costs charged on the DB assets would be the actual amounts levied, i.e. $1 per week per DB member, plus 0.16% p.a. of assets. We have assumed this amount is the net of tax cost.

Insurance premium rates

The external insurer's most recent actual premium rates will be used to calculate the present value of expected future premium costs to be paid in respect of future insurance risk for defined benefits.

Demographic assumptions

A comparison of the previous demographic assumptions with the Fund's actual experience over the past two years is set out in Appendix F.

Promotional Salary Increases

Extracts from the assumed scales of salary progression (excluding general wage increases) are set out below. These factors indicate the relativities between salary levels for different durations of service and are not intended to indicate salary levels in dollar terms. Promotional salary increases are assumed to depend on duration of service only. As all DB members have at least 10 years of service we have shown factors with service periods of 10 years and over.

Promotional Salary Scale	
Years of Service	**Salary Scale**
10	10,000
20	10,815
30	11,538
40	11,654

Death & Total and Permanent Disablement (TPD)

The table below illustrates the decrement rates adopted for death and total and permanent disablement. The figures represent the assumed numbers of exits due to death or disablement in the years of age shown per 10,000 members at each age.

The aggregate Death and TPD rates shown are the unisex rates from the insurance policy applying at the time of the actuarial investigation at 30 June 2026, as confirmed by Aware Super

Year of Age	Deaths		Disablement	
	Males	Females	Males	Females
20	11	11	1	0
30	6	7	2	1
40	6	5	4	5
50	17	18	19	18
60	74	71	55	59

Retirement

The table below illustrates the decrement rates adopted for retirement. The figures represent the numbers of retirements (both male and female) at each age shown per 10,000 members at each age.

Year of Age	Retirements
55	200
56	200
57	200
58	200
59	500
60	1,000
61	1,000
62	1,000
63	1,000
64	1,000
65	2,500
66	2,500
67	2,500
68	2,500
69	2,500
70	10,000

Retrenchment

The assumed retrenchment rate will be 6% p.a. for DB members, regardless of age, for the year to 30 June 2027.

Resignations

The table below illustrates the decrement rates adopted for resignation. The figures represent the numbers of resignations at each age shown per 10,000 members at each age.

Year of Age	Resignations - Male	Resignations - Female
25	910	1,079
30	683	810
35	457	542
40	231	273
45	200	237
50	183	217

Taxation

We have assumed that the tax rates presently applying to the Fund will be maintained in the future (i.e. that the Fund will remain a regulated and complying fund under SIS and the Tax Act respectively and will have a concessional tax rate of 15% applied to net deductible contributions).

Appendix F: Experience analysis

In setting the demographic assumptions for this actuarial review, we have conducted an experience analysis. The purpose of the experience analysis is to review recent member behaviour and promotional salary increases and use this to inform the assumptions adopted for future expected demographic experience.

Actual member behaviour was reviewed over the past two years and compared to the assumptions adopted for the 2024 actuarial review. If the experience has differed significantly from that assumed, the assumption is updated to better reflect actual experience, noting that the assumptions are long term and so incremental adjustments may be appropriate.

The demographic assumptions are summarised in the following table along with the changes made for this actuarial review.

Assumption	Comments
Retrenchments	No changes recommended
Retirement	No changes recommended
Resignation	No changes recommended
Death and Total and Permanent Disablement	No changes recommended
Promotional salary increases	No changes recommended

Retrenchments

While Telstra's actions are a key driver in the retrenchment experience of the Fund's DB members, it is still useful to understand the retrenchment experience over the investigation period in order to provide context as to other demographic movements during this period. For example, during times of large numbers of retrenchments and uncertainty surrounding employment conditions, the number of people voluntarily leaving employment can be much lower than would be expected otherwise.

In the 2024 Actuarial Investigation, retrenchments were expected at approximately 6% p.a. of DB membership for each of the two years to 30 June 2026. The table below shows the actual and expected retrenchments over the two years and nine months to 31 March 2024.

Retrenchment Experience of DB members in the TSS									
	Under 55			Over 55			Total		
	Actual	Expect	A/E	Actual	Expect	A/E	Actual	Expect	A/E
1 July 2021 to 31 March 2024	60	158	38%	168	182	92%	228	340	67%
1 July 2024 to 31 March 2026	59	58	101%	209	123	170%	268	181	148%

The experience over the last approximately five years shows that retrenchments between 2021 to 2024 were lighter than expected and represented a period of relatively more normal employment conditions for DB members in the Fund. This contrasts with more recent experience where the level of retrenchments has been higher than assumed.

Similar to the period between 2021 to 2024, the experience between 2024 to 2026 shows that the ratio of actual compared to expected retrenchments for members under age 55 was lighter than that compared to members over age 55. Because a flat rate of retrenchment has been assumed, this implies that the rate of retrenchment had been higher for members over age 55.

While this suggests that a more refined retrenchment assumption could be adopted (for example, an age-based scale where the level of retrenchments are lower at younger ages and higher at older ages), further refinement of this assumption is unlikely to result in a material impact on the value of the liabilities and the results of the valuation. Further, as discussed earlier, retrenchments are heavily driven by Telstra decisions and past retrenchment experience is not necessarily indicative of future Telstra actions. Therefore, on balance, we propose to retain the existing retrenchment assumption of 6% p.a. to 30 June 2027.

From a funding perspective, we note that in isolation this assumption is relatively neutral to the value of the liabilities, as retrenchment benefits are equal to the undiscounted accrued retirement benefit (i.e. the same as the resignation benefit). However, we note that a higher level of assumed retrenchments would result in a lower expected term of the liabilities, reducing the expected term horizon for the DB assets.

Retirement

As can be observed in the following table, the retirement experience was lighter than assumed. Over the period ending 31 March 2026, the number of retirements was 40% of the number expected based on the assumptions adopted in the previous investigation.

Retirement Experience of DB members in the TSS						
	1 July 2021 to 31 March 2024			1 July 2024 to 31 March 2026		
	Actual	Expected	A/E	Actual	Expected	A/E
Males	84	169	50%	58	138	42%
Females	20	31	66%	5	18	27%
Total	104	200	52%	63	156	40%

As discussed previously, the number of retirements may be lower than otherwise expected because of ongoing retrenchment programs. A large proportion of the employees being retrenched during the investigation period were aged over 55, some of whom may otherwise have retired. It is therefore useful to consider retirements in combination with the retrenchments of members over age 55.

Retirement (together with over 55 Retrenchment) Experience of DB members in the TSS						
	1 July 2021 to 31 March 2024			1 July 2024 to 31 March 2026		
	Actual	**Expected**	**A/E**	**Actual**	**Expected**	**A/E**
Total	272	382	71%	272	278	98%

Over the period from 1 July 2024 to 31 March 2026 the retirement and retrenchment experience, when considered in aggregate, has been roughly in line with that assumed. Given this we think it is reasonable to maintain the current retirement assumptions for both males and females.

Resignation

Actual resignations were 49% of the number expected over the period to 31 March 2026.

Resignation Experience of DB members in the TSS						
	1 July 2021 to 31 March 2024			1 July 2024 to 31 March 2026		
	Actual	Expected	A/E	Actual	Expected	A/E
Males	28	36	78%	8	13	63%
Females	14	14	97%	1	6	17%
Total	42	50	83%	9	19	49%

The number of resignations, both actual and expected, is very low due to the Fund's age profile which means that most members have reached age 55 and therefore are eligible for a retirement benefit as opposed to a resignation benefit. Therefore, in our opinion it would be reasonable to retain the resignation rates used in the previous investigation as they have been built up from the actual experience of TelstraSuper members over many years.

For completeness, we have also considered the resignation experience of the members in the Fund, in conjunction with the retrenchment experience (i.e. for members under age 55). The results are shown in the following table.

Resignation (together with under 55 Retrenchment) Experience of DB members in the TSS						
	1 July 2021 to 31 March 2024			1 July 2024 to 31 March 2026		
	Actual	Expected	A/E	Actual	Expected	A/E
Total	102	208	49%	68	77	88%

Over the period from 1 July 2024 to 31 March 2026 the resignation and retrenchment experience, when considered in aggregate, has been roughly in line with that assumed. This gives further support to the continuation of the current retirement assumptions for both males and females.

Death and Total and Permanent Disablement (TPD)

The following table sets out the A/E ratios for the number of deaths and Total and Permanent Disablements (TPDs) over the period to 31 March 2026. We note that the assumed level of deaths and TPDs were based on the external premium rates for death and TPD cover for the Fund's members.

	Deaths			TPD		
	Actual	Expected	A/E	Actual	Expected	A/E
Males	9	8	114%	-	7	0%
Females	1	1	70%	-	1	0%
Total	10	9	107%	-	8	0%

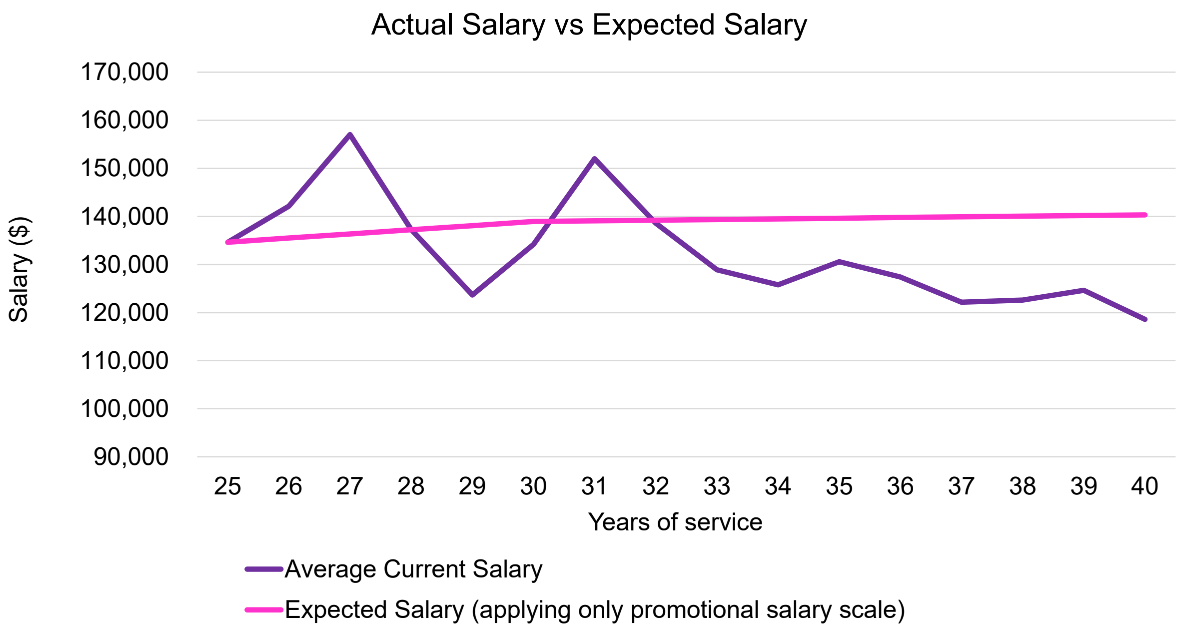
Over the period to 31 March 2026, the number of deaths has been broadly in line with expected and the number of total and permanent disablements has been lower than that expected. The ratios above are based on the number of death and total and permanent disablement benefits paid to members who were active during the period, rather than the number incurred.

They would tend to underestimate the ultimate number of such benefits that the Fund would have to pay, particularly for TPD, because they do not consider the lags involved between when a benefit is incurred and when it is paid. However, given that the Fund's long term funding position is not sensitive to these assumptions (as the Fund has externally insured the future service component of members' death and disablement benefits and also because of the declining number of DB members and the low number of expected death and disablement benefit payments), this analysis is considered to be sufficiently accurate for this investigation.

In this context, the death and disablement rates to be adopted for the purposes of this investigation will not have a significant impact on the results, as the external insurer will bear the risk of the costs of any lighter or heavier than expected mortality or disablement experience. The actual cost to Telstra is based on the premiums not the number of death or disablements that is incurred. The premiums will be updated to the most recently available rates charged by the insurer.

Promotional Salary Increases

We have reviewed the previously adopted promotional salary scale based on a duration/salary analysis of the members at 31 March 2026. By charting the average salaries of members with various years of service as at 31 March 2026, and comparing it to the expected trajectory of members' salaries with the current promotional scales, the shape of the assumed promotional salary scale can be assessed to see if it is reflective of actual increases in salary with service.



As observed in the graph above, the actual promotional salary increases appear reasonably consistent, on average, with assumed experience up to about 25 to 32 years of service. On average the data suggests members receive limited promotional increases after 32 years of service. Given that results of the analysis, the existing promotional salary scale has been maintained.

Selected Member Contribution Rate

Our analysis shows that the distribution of the selected member contribution rates has remained relatively stable over the period to 31 March 2026, with around two thirds of members electing to contribute at 5% of salary and most members contributing at the same rate as they did at 30 June 2024.

Given the stability of selected member contribution rates, it is reasonable to assume that members will continue to contribute at their selected rates in future. This is consistent with the assumption adopted for the 2024 Actuarial Investigation.

Appendix G: Further valuation results

We are required to comment on the coverage of the Minimum Requisite Benefits, as defined in the Superannuation Guarantee legislation, and the benefits payable on the termination of the Fund.

Minimum Requisite Benefit

Under Superannuation Guarantee legislation, employers are required to hold a current Benefit Certificate in respect of the minimum Superannuation Guarantee benefits being provided by a fund. These minimum benefits are known as Minimum Requisite Benefits (MRBs). A Benefit Certificate, current as at the date of this actuarial review, was issued 20 August 2026 with an effective date 1 July 2026 and expires 1 July 2031.

The SIS legislation also requires a Funding and Solvency Certificate to be in force for any fund that provides Superannuation Guarantee benefits. The certificate aims to certify that the MRBs covered by the Benefit Certificate are adequately secured. If a fund cannot meet its MRB obligations, it is declared ‘technically insolvent’ under SIS legislation.

The Funding and Solvency Certificate, current as at the date of this actuarial review, was issued 5 May 2026 with an effective date of 1 May 2026 and expires 1 May 2031.

The solvency indicator for the MRBs is the Minimum Requisite Benefits Index (MRBI), as described in SIS Regulation 9.15. At 30 June 2026 the Fund’s MRBI was 140.7%. We therefore conclude that the Fund is not ‘technically insolvent’ under SIS legislation. We expect the MRBI to continue to exceed 100% if the VBI remains above approximately 80%.

Termination of the Fund

The Fund Rules do not contain specific provisions regarding the termination of the Fund. However, Rule 3.5 of Division 3F of the Fund Rules sets out the sequence of events that would follow the termination of contributions by the Principal Employer or following the wind-up of the Principal Employer (whose role as Principal Employer is not replaced) under Rule 12 of Division 3F of the Fund Rules.

Under these circumstances, the Fund would effectively be closed to new members and the Trustee may refuse to accept future member contributions. Benefits would be paid from the Fund as members cease employment with the Principal and Associated Employers. However, if the assets were inadequate to provide the expected benefits, the Trustee could reduce benefits to the extent that it considers necessary.

In effect, this power to reduce benefits means that technically the Fund is always able to cover the benefits payable on termination (or, more strictly, closure) of the Fund.

In practice, the exercise of the power to reduce benefits would be considered undesirable. One measure of solvency in these circumstances would be to assess whether the Fund has sufficient assets to meet the benefits payable if all members resigned or were retrenched immediately after closure of the Fund. This is measured by the Vested Benefits Index, as described in the main body of this report.

Appendix H: Prudential Standard SPS 160

TELSTRA DB FUND IN AWARE SUPER

ACTUARIAL REVIEW AS AT 30 JUNE 2026

This summary provides the information which must be contained in the report of a regular actuarial review, in accordance with paragraph 23 of Prudential Standard SPS 160.

a. At 30 June 2026, the market value of assets attributable to the Fund's DB members was $1,363.5 million. The Fund's DB members also had voluntary accumulation accounts that totalled $66.491m as at 30 June 2026. Members' voluntary accumulation accounts have been excluded from the calculation of the Vested Benefits Index.

b. The projected likely future financial position of the Telstra Super DB Fund in the three years following the valuation date, based on my best estimate assumptions and assuming that Telstra contributes at 5% of salaries for at least the next three years to 30 June 2029:

Date	Vested Benefits Index (%)
30 June 2026	108.9%
30 June 2027	109.3%
30 June 2028	109.7%
30 June 2029	110.2%

c. In my opinion, the assets of the Fund at 30 June 2026 were adequate in value to meet the liabilities of the Fund in respect of accrued benefits (measured as the present value of members' accrued entitlements using the valuation assumptions). I consider that the assumptions and valuation methods used are appropriate for determining the accrued benefit liability.

d. At 30 June 2026, the Fund was in a satisfactory financial position, as defined in SPS 160, and does not need to be treated as unsatisfactory. We recommend the Shortfall Limit be set by the Trustee at 100%.

e. At 30 June 2026 the value of the liabilities of the Fund in respect of minimum benefits of the members of the fund in respect of defined benefits has been estimated to be $970m.

f. The Funding and Solvency Certificates for the Fund covering the period from 1 July 2024 to 30 June 2026 have been obtained. In my opinion, I expect the solvency of the Fund will be able to be certified in any Funding and Solvency Certificate under the Superannuation Industry (Supervision) Regulations during the three years immediately following this investigation.

g. In my report on the actuarial investigation of the Fund at 30 June 2026, I recommend that Telstra and associated employers continue to contribute to the Fund in respect of defined benefit members at a rate 5% of salaries until 30 June 2030. This contribution requirement should be reviewed and increased as deemed appropriate by the Actuary if the VBI falls to below 105% at any time. I also recommend that Telstra and associated employers contribute any salary sacrifice contributions to the Fund.

Travis Dickinson
Fellow of the Institute of Actuaries of Australia
26 August 2026

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