

BT Business Super product changes

Effective: 1 July 2015

The information in this notice, dated 1 July 2015, updates information contained in the BT Business Super Product Disclosure Statement (**PDS**) and Additional Information Booklets (**AIBs**) Part 1 – General, Part 2 – Investments and Part 3 – Insurance dated 1 July 2014 issued by Westpac Securities Administration Limited ABN 77 000 049 472 AFSL 233731.

It should be read together with the PDS and AIBs, which are available at bt.com.au. The information in the PDS and AIBs is updated for the changes set out below.

Buy-sell spread changes impacting BT MySuper Lifestage Investment Options

From 1 July 2015 the Buy-sell spread for the BT MySuper Lifestage Investment Options changed to 0.32%. Cost of the buy-sell will generally be incurred when you invest in the BT MySuper Lifestage Investment Options.

Further clarification regarding Regulatory Change Expense Recovery

We previously provided you with further information about the types of expenses that may be recovered as part of the Regulatory Change Expense Recovery (RCER).

Over recent years, the Australian Government has implemented a number of reforms affecting superannuation funds. Prudential Standards such as the Operational Risk Financial Requirement have also been introduced.

These changes have required the Trustee¹ (**BT**) to undertake a significant program of work, which have generated additional and ongoing expenses. Further, BT is charged a levy to help meet the Regulator's costs for the supervision of superannuation funds. These expenses all fall within the RCER.

ORFR

In accordance with regulatory requirements, BT maintains capital to cover operational risk. This is known as the Operational Risk Financial Requirement (**ORFR**). If an operational risk materialises, this capital can be used to compensate members for losses or forgone gains. BT incurs expenses to maintain the capital held for the ORFR.

ORFR Expense Recovery

You will not see a specific ORFR expense transaction on your account. How the ORFR expenses will be recovered depends on which investment option(s) you hold:

- ▶ **MySuper Lifestage Investment Options:** ORFR expenses have been taken into account in setting the level of the MySuper Lifestage Investment Options Administration fee, and as such are included within the existing Administration fee. ORFR expenses are not included in the RCER.
- ▶ **Other Investment Options:** ORFR expenses are included in the RCER if you hold other Investment Options. These expenses are deducted from the Investment Options and are reflected in the unit price on a daily basis. The RCER is up to 0.10% pa of the Investment Option's asset value.

1_ Westpac Securities Administration Limited ABN 77 000 049 472 AFSL 233731.

Changes to the BT MySuper Lifestage and BT Multi-manager Investment Options

Investment objectives

From 1 July 2015, the investment objectives for some of the BT MySuper Lifestage Investment Options have changed. Please refer to the table below which may be applicable to you.

BT MySuper Lifestage Investment Option	Investment Return Objective (over a 10 year period) net of fees and taxes	
	Existing	From 1 July 2015
1960's	CPI + 3.0%	CPI + 3.5%
1970's	CPI + 3.5%	CPI + 4.0%
1980's	CPI + 3.5%	CPI + 4.0%

Strategic Asset Allocation and Neutral Position

The strategic asset allocation ('SAA') is the mix of growth and defensive assets set with the aim of achieving the investment return objective. The Neutral Position ('NP') is the starting point for all asset allocation decisions. The investment manager may adjust the exposure within the specified minimum and maximum ranges, based on investment views.

BT MySuper Lifestage Investment Option

From 1 July 2015, the SAA and NP for some of the BT MySuper Lifestage Investment Options have changed. Please refer to the table below which may be applicable to you.

Existing

Lifestage Fund							
Asset Type (%)	1940's	1950's	1960's	1970's	1980's	1990's	2000's
Equity – Australian (listed)	8	23	36	46	49	49	49
Range	(0 – 14)	(8 – 28)	(16 – 39)	(19 – 48)	(22 – 52)	(22 – 54)	(22 – 54)
Equity – International (listed)	4	15	24	30	32	32	32
Range	(0 – 14)	(8 – 28)	(16 – 39)	(19 – 48)	(22 – 52)	(22 – 54)	(22 – 54)
Property							
– Australian (listed)	2	2	2	2	3	3	3
– International (listed)	2	2	2	2	2	2	2
Range	(0 – 10)	(0 – 11)	(0 – 12)	(0 – 13)	(0 – 14)	(0 – 15)	(0 – 15)
Other							
– Australian (Alternatives Growth)	3	3	2	1	1	1	1
– International (Alternatives Growth)	7	6	5	4	3	3	3
Range	(5 – 21)	(4 – 20)	(3 – 19)	(2 – 18)	(1 – 16)	(0 – 15)	(0 – 15)
Fixed Income – Australian	18	13	7	3	2	2	2
Range	(10 – 36)	(2 – 28)	(0 – 23)	(0 – 21)	(0 – 20)	(0 – 20)	(0 – 20)
Fixed Income – International	32	22	13	5	2	2	2
Range	(10 – 36)	(2 – 28)	(0 – 23)	(0 – 21)	(0 – 20)	(0 – 20)	(0 – 20)
Other							
– Australian (Alternatives Defensive)	4	3	3	2	2	2	2
– International (Alternatives Defensive)	6	6	4	3	2	2	2
Range	(5 – 21)	(4 – 20)	(3 – 19)	(2 – 18)	(1 – 16)	(0 – 15)	(0 – 15)
Cash	14	5	2	2	2	2	2
Range	(10 – 36)	(2 – 28)	(0 – 23)	(0 – 21)	(0 – 20)	(0 – 20)	(0 – 20)

From 1 July 2015

Lifestage Fund							
Asset Type (%)	1940's	1950's	1960's	1970's	1980's	1990's	2000's
Equity – Australian (Listed) Range	6 (0 – 13)	21 (7 – 27)	35 (15 – 38)	45 (19 – 47)	49 (22 – 52)	49 (22 – 54)	49 (22 – 54)
Equity – International (Listed) Range	4 (0 – 13)	14 (7 – 27)	23 (15 – 38)	30 (19 – 47)	32 (22 – 52)	32 (22 – 54)	32 (22 – 54)
Property – Australian (Listed) – International (Listed) Range	2 2 (0 – 10)	2 2 (0 – 11)	2 2 (0 – 12)	2 2 (0 – 13)	3 2 (0 – 14)	3 2 (0 – 15)	3 2 (0 – 15)
Other – Australian (Alternatives Growth) – International (Alternatives Growth) Range	3 7 (5 – 21)	3 6 (4 – 20)	2 5 (3 – 19)	2 3 (2 – 18)	1 3 (1 – 16)	1 3 (0 – 15)	1 3 (0 – 15)
Fixed Income – Australian Range	17 (11 – 37)	14 (3 – 29)	9 (0 – 23)	4 (0 – 21)	2 (0 – 20)	2 (0 – 20)	2 (0 – 20)
Fixed Income – International Range	31 (11 – 37)	24 (3 – 29)	13 (0 – 23)	5 (0 – 21)	2 (0 – 20)	2 (0 – 20)	2 (0 – 20)
Other – Australian (Alternatives Defensive) – International (Alternatives Defensive) Range	4 6 (5 – 21)	3 6 (4 – 20)	3 4 (3 – 19)	2 3 (2 – 18)	2 2 (1 – 16)	2 2 (0 – 15)	2 2 (0 – 15)
Cash – Australian Range	18 (11 – 37)	5 (3 – 29)	2 (0 – 23)	2 (0 – 21)	2 (0 – 20)	2 (0 – 20)	2 (0 – 20)

BT Multi-manager Investment Options

The tables below outline the SAA Range and NP for the BT Multi-manager Investment Options, effective from 1 July 2015.

BT Multi-manager Conservative

Existing

Asset type	NP (%)	Range (%)
Australian shares	N/A	0–28
International shares	N/A	0–23
Property and real assets	N/A	0–23
Alternatives	N/A	0–25
Australian fixed interest	N/A	0–29
International fixed interest	N/A	14–54
Cash	N/A	7–47

From 1 July 2015

Asset type	NP (%)	Range (%)
Equity – Australian Listed	9	0–28
Equity – International Listed	7	0–23
Property – Australian Listed	2	0–23
Property – International Listed	6	
Commodities – International Listed	1	0–25
Other – International Unlisted (Alternatives)	10	
Fixed Income – Australian	25	0–29
Fixed Income – International	29	14–54
Cash	11	7–47

BT Multi-manager Balanced

Existing

Asset type	NP (%)	Range (%)
Australian shares	N/A	5–45
International shares	N/A	0–38
Property and real assets	N/A	0–25
Alternatives	N/A	1–31
Australian fixed interest	N/A	0–25
International fixed interest	N/A	0–40
Cash	N/A	0–25

From 1 July 2015

Asset type	NP (%)	Range (%)
Equity – Australian Listed	25	5–45
Equity – International Listed	24	0–38
Property – Australian Listed	3	5–25
Property – International Listed	7	
Commodities – International Listed	2	1–31
Other – International Unlisted (Alternatives)	10.5	
Fixed Income – Australian	10	0–25
Fixed Income – International	15	0–40
Cash	3.5	0–25

BT Multi-manager Growth

Existing

Asset type	NP (%)	Range (%)
Australian shares	N/A	10–50
International shares	N/A	3–43
Property and real assets	N/A	0–26
Alternatives	N/A	5–35
Australian fixed interest	N/A	0–21
International fixed interest	N/A	0–31
Cash	N/A	0–23

From 1 July 2015

Asset type	NP (%)	Range (%)
Equity – Australian Listed	30	10–50
Equity – International Listed	29.5	3–43
Property – Australian Listed	3	0–26
Property – International Listed	8	
Commodities – International Listed	2.5	5–35
Other – International Unlisted (Alternatives)	13	
Fixed Income – Australian	5.5	0–21
Fixed Income – International	7	0–31
Cash	1.5	0–23

BT Multi-manager High Growth

Existing

Asset type	NP (%)	Range (%)
Australian shares	N/A	16–56
International shares	N/A	11–51
Property and real assets	N/A	0–25
Alternatives	N/A	7–37
Cash	N/A	0–15

From 1 July 2015

Asset type	NP (%)	Range (%)
Equity – Australian Listed	37	16–56
Equity – International Listed	37	11–51
Property – Australian Listed	3	0–25
Property – International Listed	7	
Commodities – International Listed	3	7–37
Other – International Unlisted (Alternatives)	13	
Fixed Income – Australian	N/A	N/A
Fixed Income – International	N/A	N/A
Cash	0	0–15

Change to the BT Business Super MySuper Investment Options Administration Fee

From 1 July 2015 the percentage component of the administration fee for the BT Business Super BT MySuper Lifestage Investment Options reduced from 1.08% to 0.45% of your account balance.

Example of annual fees and costs for the BT MySuper Lifestage Investment Options

The following table provides an example of how the fees and costs in the generic MySuper product for this superannuation product can affect your super investment over a one year period. You should use this table to compare BT Business Super with other super products.

Example – BT MySuper 1970's Lifestage Investment Option		Balance of \$50,000
Investment fees	0.50%	For every \$50,000 you have in the MySuper product you will be charged \$250 each year.
PLUS Administration fees	0.45% Plus \$60 [#] (\$5 per month)	And , you will be charged \$285 in administration fees.
PLUS Indirect costs for the MySuper product	0.13% [^]	And , indirect costs of \$65 each year will be deducted from your investment.
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$600 for the MySuper product.

[#] The dollar-based Administration fee is net of the benefit of tax deduction to BT Super.

[^] The indirect costs above comprise of an estimated Regulatory Change Expense Recovery of 0.10% pa and estimated performance fees of 0.03% p.a. Estimates are based on the latest available figures at the date of this document. The estimated performance fee estimate is based on the performance fees paid over the 12 months to 31 December 2014, to the underlying investment managers.

No action is required on your account. Your balance will remain invested according to your current investment strategy. If you would like to make a new investment choice on your BT Business Super account, you can do this via: BT Online, fill in a Investment Choice/Switch Request form available at bt.com.au, or call BT Customer Relations on 132 135.

Need more information?

Should you require any further information, please speak to your Financial Planner. Our super specialists are also here to help. Call us on 132 135 (Monday to Friday 8.00am – 6.30pm Sydney time) or email us at customer.relations@btfinancialgroup.com.

IMPORTANT INFORMATION

The information provided in this document is general information only. It does not take into account your investment objectives, financial position or needs. Before acting on the information, you should consider the appropriateness of the information having regards to your personal objectives, financial situation or needs. Westpac Securities Administration Limited ABN 77 000 049 472 AFSL 233731 is the trustee of and the issuer of interests in BT Business Super (BT Super), which forms part of the Westpac MasterTrust – Superannuation Division ABN 81 236 903 448. A Product Disclosure Statement (PDS) is available for BT Super and can be obtained by calling BT Customer Relations on 132 135, or visiting bt.com.au. You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of interests in BT Super. An investment in BT Super is not an investment in, deposit with or any other liability of Westpac Banking Corporation ABN 33 007 457 141 (the Bank) or any other company in the Westpac Group. It is subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. The Bank and its related entities do not stand behind or otherwise guarantee the capital value or investment performance of BT Super.

Prepare for the best.



bt.com.au 132 135