

BT Lifetime Super - Employer Plan product changes

Effective: 1 July 2016

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The information in this notice, dated 1 July 2016, has been included to update information contained in the BT Lifetime Super – Employer Plan Product Disclosure Statement (PDS) and Additional Information Booklets (AIBs) Part 1 – General, Part 2 – Investments dated 1 July 2015 or any subsequent notices from us issued by BT Funds Management Limited ABN 63 002 916 458 AFSL 233724.

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

Expenses associated with recent regulatory reform

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 us to undertake a significant program of work, which has generated additional and ongoing expenses. We are also charged a levy to help meet the Regulator's costs for the supervision of superannuation funds. These expenses all fall within the Regulatory Change Expense Recovery (RCER). To help cover the significant cost of implementing these reforms and the levies, the Fund's indirect cost ratio may increase by up to 0.10%.

Operational Risk Financial Requirement

In accordance with regulatory requirements, BT Financial Group maintains capital to cover operational risk. This is known as the Operational Risk Financial Requirement (ORFR). If an operational risk event occurs, this capital can be used to compensate members for losses caused by the event. We incur expenses to maintain the capital held for ORFR applicable to the MySuper Lifestage Investment Option.

ORFR Expense Recovery

BT MySuper Lifestage Investment Option: ORFR expenses have been taken into account in setting the level of the MySuper Lifestage Investment Options' Administration fee, and 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 and reflected in the Fund's indirect cost ratio.

Buy-sell spread changes impacting BT Non-Lifestage Investment Options

From 1 July 2016 the buy-sell spread for certain BT Non-Lifestage Investment Options have changed as per the below table.

Investment Option Name	Buy sell spread before 1 July 2016	Buy sell spread after 1 July 2016
BT Australasian Bond	0.12	0.10
BT Multi-manager Balanced	0.39	0.40
BT Multi-manager Growth	0.44	0.45
BT Global Property	0.27	0.25
OnePath Australian Shares	0.30	0.26
Vanguard Australian Shares Index Fund	0.25	0.20
Vanguard International Shares Index Fund	0.25	0.20
Vanguard Growth Index Fund	0.29	0.24
BT Global Bond	0.20	0.10
BT Balanced Returns	0.27	0.25
BT Multi-manager High Growth	0.49	0.48
BT Future Goals	0.32	0.31

Investment Objectives

From 1 July 2016, 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 Objective (p.a.)	Objective from 1 July 2016 (p.a.)
1940's	CPI + 1.5%	CPI + 1.1%
1950's	CPI + 2.5%	CPI + 1.3%
1960's	CPI + 3.5%	CPI + 2.1%
1970's	CPI + 4.0%	CPI + 3.3%
1980's	CPI + 4.0%	CPI + 3.3%
1990's	CPI + 4.0%	CPI + 3.3%
2000's	CPI + 4.0%	CPI + 3.3%

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 the asset allocation decisions. The investment manager may adjust the exposure within the specified minimum and maximum ranges, based on investment reviews and decisions.

BT MySuper Lifestage Investment Option

From 1 July 2016, 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 SAA and NP

Lifestage Investment Option							
Asset Type (%)	1940's	1950's	1960's	1970's	1980's	1990's	2000's
Equity – Australian Listed	6	16	25	32	35	35	35
Range	(0 – 21)	(2 – 32)	(10 – 40)	(16 – 46)	(18 – 48)	(18 – 48)	(18 – 48)
Equity – International Listed	5	16	25	33	35	35	35
Range	(0 – 19)	(0 – 30)	(9 – 39)	(16 – 46)	(18 – 48)	(18 – 48)	(18 – 48)
Property							
– Australian Listed	1	1	1	1	1	1	1
– International Listed	2	3	4	4	5	5	5
– Australian Unlisted	1	1	1	1	1	1	1
– International Unlisted	2	2	2	2	2	2	2
– Range	(0 – 21)	(0 – 21)	(0 – 22)	(0 – 22)	(0 – 22)	(0 – 22)	(0 – 22)
Commodities – International Listed	1	2	2	2	2	2	2
Other – International Unlisted (Alternatives)	8	9	11	12	13	13	13
Range	(0 – 15)	(0 – 18)	(0 – 20)	(0 – 21)	(0 – 22)	(0 – 22)	(0 – 22)
Fixed Income – Australian	29	19	11	4	1	1	1
Range	(15 – 45)	(5 – 35)	(0 – 19)	(0 – 17)	(0 – 16)	(0 – 16)	(0 – 16)
Fixed Income – International	33	23	12	5	2	2	2
Range	(16 – 46)	(6 – 36)	(0 – 27)	(0 – 20)	(0 – 18)	(0 – 18)	(0 – 18)
Cash – Australian	12	8	6	4	3	3	3
Range	(0 – 31)	(1 – 31)	(0 – 25)	(0 – 21)	(0 – 20)	(0 – 20)	(0 – 20)
Total Growth Assets	26%	50%	71%	87%	94%	94%	94%
Total Defensive Assets	74%	50%	29%	13%	6%	6%	6%

SAA and NP from 1 July 2016

Lifestage Fund							
Asset Type (%)	1940's	1950's	1960's	1970's	1980's	1990's	2000's
Equity – Australian Listed	11	15	27	37	37	37	37
Range	(0 – 26)	(0 – 30)	(12 – 42)	(22 – 52)	(22 – 52)	(22 – 52)	(22 – 52)
Equity – International Listed	8	13	27	39	39	39	39
Range	(0 – 23)	(0 – 28)	(12 – 42)	(24 – 54)	(24 – 54)	(24 – 54)	(24 – 54)
Property							
– Australian Listed	1	1	2	2	2	2	2
– International Listed	2	2	5	7	7	7	7
– Australian Unlisted	1	1	1	1	1	1	1
– International Unlisted	2	2	2	2	2	2	2
Range	(0 – 21)	(0 – 21)	(0 – 25)	(0 – 27)	(0 – 27)	(0 – 27)	(0 – 27)
Commodities – International Listed	0	1	1	2	2	2	2
Range	(0 – 5)	(0 – 6)	(0 – 6)	(0 – 7)	(0 – 7)	(0 – 7)	(0 – 7)
Fixed Income – Australian	26	23	11	1	1	1	1
Range	(11 – 41)	(8 – 38)	(0 – 26)	(0 – 16)	(0 – 16)	(0 – 16)	(0 – 16)
Fixed Income – International	29	25	13	1	1	1	1
Range	(14 – 44)	(10 – 40)	(0 – 28)	(0 – 16)	(0 – 16)	(0 – 16)	(0 – 16)
Other – Growth Alternatives	0	0	0	0	0	0	0
Other – Defensive Alternatives	4	4	5	5	5	5	5
Range	(0 – 9)	(0 – 9)	(0 – 10)	(0 – 10)	(0 – 10)	(0 – 10)	(0 – 10)
Cash – Australian	12	8	6	4	3	3	3
Range	(8 – 38)	(1 – 31)	(0 – 25)	(0 – 21)	(0 – 20)	(0 – 20)	(0 – 20)
Total Growth Assets	25%	35%	65%	90%	90%	90%	90%
Total Defensive Assets	75%	65%	35%	10%	10%	10%	10%

Multi-manager Investment Options

The tables below outline the SAA Range and NP for the BT Multi-manager Investment Options, effective from 1 July 2016.

BT Multi-manager Conservative

Existing SAA and NP

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 – Australian	11	7 – 47

SAA and NP from 1 July 2016

Asset type	NP (%)	Range (%)
Equity – Australian Listed	12	0 – 32
Equity – International Listed	10	0 – 30
Property – Australian Listed	2	0 – 22
Property – International Listed	5	
Commodities – International Listed	1	0 – 6
Other – Growth Alternatives	0	0 – 19
Other – Defensive Alternatives	4	
Fixed Income – Australian	24	4 – 44
Fixed Income – International	28	8 – 48
Cash – Australian	14	0 – 34

BT Multi-manager Balanced

Existing SAA and NP

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 – Australian	3.5	0 – 25

SAA and NP from 1 July 2016

Asset type	NP (%)	Range (%)
Equity – Australian Listed	29	9 – 49
Equity – International Listed	29	9 – 49
Property – Australian Listed	3	0 – 25
Property – International Listed	7	
Commodities – International Listed	2	0 – 7
Other – Growth Alternatives	0	0 – 20
Other – Defensive Alternatives	5	
Fixed Income – Australian	8	0 – 33
Fixed Income – International	12	0 – 32
Cash – Australian	5	0 – 25

BT Multi-manager Growth

Existing SAA and NP

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 – Australian	1.5	0 – 23

SAA and NP from 1 July 2016

Asset type	NP (%)	Range (%)
Equity – Australian Listed	35	15 – 55
Equity – International Listed	37	7 – 57
Property – Australian Listed	3	0 – 26
Property – International Listed	8	
Commodities – International Listed	2	0 – 7
Other – Growth Alternatives	0	0 – 19
Other – Defensive Alternatives	4	
Fixed Income – Australian	3	0 – 23
Fixed Income – International	5	0 – 25
Cash – Australian	3	0 – 23

BT Multi-manager High Growth

Existing SAA and NP

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	9	
Commodities – International Listed	3	7 – 37
Other – International Unlisted (Alternatives)	13	
Cash – Australian	0	0 – 15

SAA and NP from 1 July 2016

Asset type	NP (%)	Range (%)
Equity – Australian Listed	40	20 – 60
Equity – International Listed	44	24 – 64
Property – Australian Listed	3	0 – 27
Property – International Listed	9	
Commodities – International Listed	2	0 – 7
Other – Growth Alternatives	0	0 – 15
Other – Defensive Alternatives	0	
Cash – Australian	2	0 – 22

Strategic Asset Allocation changes to certain Investment Options

Schroder Balanced Fund

Existing SAA and NP

Asset type	NP (%)	Range (%)
Australian and New Zealand shares	30	20 – 40
International shares	27	20 – 40
Property trusts	5	0 – 10
Higher yielding credit	5	0 – 15
Objective based	10	0 – 20
Fixed Income	15	10 – 35
Cash	8	0 – 20

SAA and NP from 1 July 2016

Asset type	NP (%)	Range (%)
Australian shares	32	20 – 40
International shares	26	20 – 40
Property trusts	4	0 – 8
Objective based	10	0 – 20
Alternatives	0	0 – 10
Global investment grade credit	6	0 – 15
Higher yielding credit	6	0 – 15
Australian fixed income	8	5 – 35

Standard Risk Measure (SRM)

The level of risk, or Standard Risk Measure, for each investment fund is based on an estimate of the number of negative annual returns that may be experienced over any 20 year period. You should ensure you're comfortable with the risks and potential losses associated with the investment funds you choose to invest in. For more information on how we calculate these Standard Risk Measures, go to www.bt.com.au/help/standard-risk-measure.asp.

Investment Option Name	SRM before 1 July 2016	SRM after 1 July 2016
BT Balance Returns	6	5
Westpac Balanced	6	5
Aberdeen Emerging Opportunities	6	7
AMP Capital Listed Property Trusts	6	7
BT Australasian Bond	4	3
BT Cash	1	2
BT Cons Outlook	4	3
BT Global Bond	4	3
BT Global Property Securities	6	7
BT Multi-Manager Balanced	6	5
BT Multi-Manager Fixed Interest	4	3
BT Property Securities	6	7
Macquarie Conservative	4	2
Macquarie Diversified Fixed Interest	4	3
MySuper 1940's Lifestage	3	2
MySuper 1950's Lifestage	5	4
Schroder Balanced	6	5
Vanguard Growth Index	6	5

Performance Fees

The table below outlines the change in performance fees effective 1 July 2016.

Fund Name	Estimated Performance fee before 1 July 2016 (p.a) ¹	Estimated Performance fee after 1 July 2016 (p.a) ¹
BT MySuper 1960's Lifestage Investment Option	0.02	0.01
BT MySuper 1970's Lifestage Investment Option	0.02	0.01
BT MySuper 1980's Lifestage Investment Option	0.02	0.01
BT MySuper 1990's Lifestage Investment Option	0.02	0.01
BT MySuper 2000's Lifestage Investment Option	0.02	0.01
BT Multi-manager Conservative	0.10	0.03
BT Multi-manager Balanced	0.09	0.02
BT Multi-manager Growth	0.08	0.01
BT Multi-manager High Growth	0.06	0.01

¹ This is an estimate based on the performance fees paid, over the 12 months to 31 March 2016, to the underlying investment managers and an assumption that the investment option had an investment with these underlying investment managers, prior to 31 March 2016. These estimates are not a representation as to likely future performance. The actual performance fee and therefore the total indirect cost ratio will depend on the performance of the relevant underlying investment managers and so will likely vary from these estimates. Please refer to the Additional Information Booklet Part 1 – General.

Investment Management Fee changes

Fund Name	Investment Management Fee before 1 July 2016	Investment Management Fee after 1 July 2016
Macquarie Diversified Fixed Interest	0.635	0.63
Macquarie Conservative	0.82	0.84

Non MySuper Administration Fee Changes

From 1 July 2016, we now show the administration fee net of adviser commissions for Non MySuper investment options. If you joined from 1 November 2013, you already do not pay this adviser commission, as it is rebated at the end of each month into your account. There is no change to the current administration fee you pay. Please see below table outlining the change and refer to the 'Fees and Other Costs' section of the Additional Information Booklet 1 – General for further information.

Employer Sponsored members

Non MySuper Administration fee previously disclosed in the 1 July 2015 AIB 1		Non MySuper Administration fee disclosed in the 1 July 2016 AIB 1	
Your employer's plan balance	Up to (% p.a.)	Your employer's plan balance	Up to (% p.a.) ¹
First \$500,000	1.15	First \$500,000	0.70
Next \$500,000	1.00	Next \$500,000	0.55
Next \$4 million	0.60	Next \$4 million	0.20
Next \$5 million	0.45	Next \$5 million	0.15
Balance over \$10 million	0.30	Balance over \$10 million	0.15

Personal members

Non MySuper Administration fee previously disclosed in the 1 July 2015 AIB 1		Non MySuper Administration fee disclosed in the 1 July 2016 AIB 1	
Your BT Super account balance	Up to (% p.a.)	Your BT Super account balance	Up to (% p.a.) ¹
First \$100,000	1.15	First \$100,000	0.70
Next \$150,000	1.00	Next \$150,000	0.55
Balance over \$150,000	0.80	Balance over \$150,000	0.35

1. This is the fee that is charged after applying a standard rebate in addition to any additional administration fee rebate (please refer to the Additional information Booklet 1 – General for more information). If you make a full withdrawal on your BT Super account prior to the end of the month, you will pay an additional Administration fee of up to 0.45% p.a. on the amount invested in each Non – MySuper Investment Option calculated on a pro rata basis for that month.

Minimum Investment Timeframe

The minimum investment timeframes have changed effective 1 July 2016 for the below Lifestage Investment Options.

Fund Name	Old Timeframe	New Timeframe (1 July 2016)
BT MySuper 1940's Lifestage	3	4
BT MySuper 1970's Lifestage	6	7

Proposed changes to the non-concessional contributions cap

On 3 May 2016, the government announced proposed changes to the non-concessional contributions cap, which would see a lifetime limit per person imposed on non-concessional contributions. If this proposal becomes law, non-concessional contributions made to super on or after 1 July 2007 will be assessed against your lifetime limit. Contributions exceeding the lifetime limit may need to be removed from super or may be subject to additional tax. Please consider the impact of this proposal before making a non-concessional contribution. For further information please speak to your financial adviser, refer to the Frequently asked Questions on our website at bt.com.au, our coverage of the 2016 Budget at bt.com.au/budget or refer to the ATO website ato.gov.au.

Need more information?

Should you require any further information, please speak to your Financial Adviser. 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 on customer.relations@btfinancialgroup.com.

For more information



bt.com.au



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