

# BT Super for Life – 1940s Lifestage Fund – Retirement

## Fact sheet

September 2011



## Fund overview

Product name	BT Super for Life – 1940s Lifestage Fund – Retirement
APIR	BTA0281AU
Inception date	October 2007
Fund status	Open
Fund size	\$9.53 million
ICR (Management fee)	0.99% as at 30/09/2011
Asset class	Diversified
Risk category	Currently low

## Fund management

BT Super for Life – Lifestage Funds are invested using the ‘multi-manager’ investing concept. The funds are managed by BT’s investment management team and by a number of external managers with complementary capabilities.

Where BT appoints other investment managers, our team of investment specialists provide ongoing monitoring and review of the appointed investment manager. A multi-manager fund packages together high-quality investment management companies from Australia and around the world into a single fund.

## Who is this fund for?

You have probably retired. You need a conservative asset mix, but still need to retain a level of growth.

## Investment style

A Lifestage Fund has a mix of assets that adjust automatically as you get older. You only have one decision to make and BT Super for Life does the rest, assembling and managing the mix of assets according to your age, until and into retirement, automatically adjusting that mix over time. When you are younger you have more time to withstand ups and downs in the value of your investment, so your Lifestage Fund will be more growth oriented to target a higher return. Over time the fund will gradually shift to a more conservative asset mix generally by decreasing its allocation to growth assets (such as shares and property) and increasing its allocation to conservative assets (such as fixed interest and cash).

## Intended outcome

Each Lifestage Fund is invested in a different mix of asset classes. We are endeavouring to outperform the market in each asset class (before fees and tax). The overall performance objective for each fund is to outperform other funds with a similar mix of asset classes.

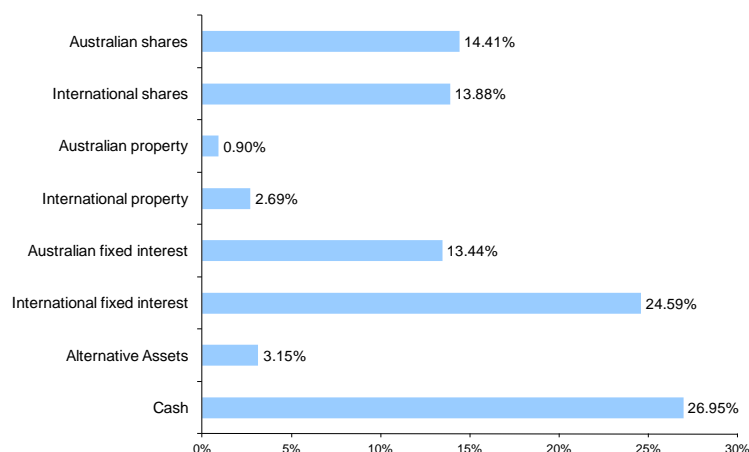
## Investment performance

Performance (%) (as at 30/09/2011)	1 month	3 months	6 months	1 year (pa)	3 years	Since inception
Total return	-1.79	-2.82	-2.47	1.95	3.99	1.98

Performance returns are calculated net of ICR (Management Fees) and post tax. Past performance is not a reliable indicator of future performance, the value of your investment can go down as well as up.

## Asset allocation

### By Sector allocation (as at 30/09/2011)



The market exposure (asset allocation) and holdings of the fund may change significantly each day.

## Investment managers

Asset class	Manager(s)
Australian shares	Alleron, BT, Schroders
International shares	AQR, Lazard, MFS, Schroders, State Street, Tradewinds, Trilogy
Australian property	CBRE, Perennial
International property	European Investors, Perennial
Alternative investments	Credit Suisse
Fixed interest and Cash	CFS, Franklin Templeton, Perennial, Standish Mellon, Wellington, BT

## Fund commentary

### Market summary

An increase in risk aversion throughout the September quarter saw equities and growth assets underperform defensive assets over the 12 month period. European sovereign debt risks dominated headlines and the US narrowly evaded a potential technical default. A credit downgrade by Standard & Poor's, was enough for investors to take risk off the table. The work-through of supply chain disruptions to global manufacturing resulting from the Japanese earthquake in March, provided some support for markets, as industrial production began to recover over the second quarter of 2011. However industrial production momentum decelerated over the September quarter, reflecting the below-trend demand cycle from the US and other European nations as they negotiate stubbornly slow paces of economic growth. International and Australian bonds managed to post solid gains as yields ended lower over the period. The Australian Dollar has fallen sharply over the past 3 month period as investors exited emerging market and commodities positions. This helped to mitigate the negative return in international equities over the quarter compared to the local currency equity returns.

### International Shares

International share markets reversed their strong gains to June over the last quarter with international equities now having declined 4.5% for the last 12 months in local currency terms, while in Australian dollar terms global equities have declined 4.2%. The difference is a result of the Australian dollar which despite experiencing strong declines over the September quarter is marginally better versus the US dollar, up 0.3% over the last 12 months.

The Asian markets delivered mixed performance over the 12 month period. The best performing Asian market was Korea's KOSPI index which declined 5.5%. Following this Japan's Nikkei declined 7.1% while China's Shanghai Composite retreated 11.2%. The worst performing Asian equity index was the Hong Kong Hang Seng index falling 21.3% while India's Bombay Sensex has fallen 18.0%.

European markets also declined for the 12 months with the Germany DAX index retreating 11.7%, whilst the UK FTSE 100 index fared better, declining 7.6% over the 12 month period. The US S&P 500 index outperformed global equity markets falling 0.9%, whilst the tech heavy NASDAQ index managed to return a positive 2.0% for the 12 month period.

Over the quarter, the international shares portfolio outperformed its benchmark. From a manager perspective, Lazard, Tradewinds and Trilogy outperformed.

### Australian shares

Australian shares underperformed other benchmark equity indices over the 12 month period declining 8.6% in accumulation basis. The weight of the last quarter's

underperformance together with a persistently high Australian dollar over the period saw the domestic market lag as a result. The strength in the Australian dollar has reversed sharply over the past quarter and will provide some level of attractiveness for international investors however recent risk aversion experienced, continues to weigh on investor sentiment particularly to those equities tied most to emerging markets and commodities.

The best performing sectors during the 12 month period were more defensive in nature. Utilities, Consumer Staples and Healthcare were the better performers while Consumer Discretionary, Information Technology and Telecommunications underperformed.

For the 12 month period, the S&P/ASX 200 All Resources accumulation index has fallen 14.4%, whilst the S&P/ASX 200 All Industrial accumulation index lost 11.8%.

Over the quarter, the Australian shares portfolio outperformed the benchmark.

#### **International and Australian bonds**

The Barclays Global Aggregate Bond index (hedged) posted a 7.8% return for the 12 month period whilst the UBS Warburg Composite Bond index for Australia also posted a strong return of 9.0%. Australian and global bond yields continued to find support amongst investors as global risk aversion continued to reach extreme levels and investors sought after safe haven assets amidst the heightened volatility in global equity markets.

Global bond yields continued to find support throughout the past quarter with US 10 year Treasuries and German Bunds benefiting from a flight to safety as the Greek default risk escalated and expectations for global growth deteriorated. Australian bonds also rallied with markets pricing in a interest rate cut from the RBA. Long term rates shifted downwards nearly 1.0% to below the cash rate of 4.75%.

The Australian and global bond portfolios slightly underperformed their benchmarks. From a manager perspective, Wellington outperformed their benchmark.

#### **Listed property**

For the 12 months to 30 September 2011, global listed property followed equity markets lower as the risk premia amongst 'equity-like' assets increased in the wake of increasing volatility and global growth uncertainty. The correlation of listed property trusts to global equities resulted in global LPTs declining 4.6% for the 12 month period, although outperforming domestic listed property which retreated 6.2% over the same period.

The property portfolio slightly underperformed for the quarter.

#### **Commodities**

Commodities fell sharply in September resulting in a quarterly loss for the benchmark GSCI of 11.9%. This loss was in line with equity markets for the quarter and was driven by increased concerns over economic growth both in developed and now developing economies

From a manager perspective, Credit Suisse slightly outperformed their benchmark.

## **Other features**

#### **Responsible and sustainable investment in Lifestage Funds**

BT Financial Group is a signatory to the UN Principles for Responsible Investment (PRI). These Principles are about maintaining long-term growth without causing environmental or social damage.

Investing with BT Super for Life can help you reconcile your social and environmental concerns with your financial goals. Specifically, a portion of the Australian and international share components of the Lifestage Funds are invested in strategies that have sustainability as a core part of their process.

You can find out more information about PRI and sustainable investing in the BT Super for Life PDS.



### More information?

→ Speak to your financial adviser → Visit [btsuperforlife.com.au](https://btsuperforlife.com.au) → Call BT Customer Relations 1300 653 553

BT Funds Management Limited ABN 63 002 916 458, AFSL No. 233724, RSE No. L0001090 is Trustee of BT Super for Life which is part of Retirement Wrap ABN 39 827 542 991, RSE No. R1001327

The Product Disclosure Statement (PDS) is available by visiting [btsuperforlife.com.au](https://btsuperforlife.com.au) or calling BT on 1300 653 553. You should consider the PDS in deciding whether to acquire, or continue to hold, the Fund and consider whether the Fund is appropriate for you. This document (Fact sheet) does not take into account your objectives, financial situation and needs. Because of this, you should, before acting on information in this document, consider its appropriateness, having regard to your objectives, financial situation or needs and we recommend you consult a financial adviser.

Performance figures are calculated in accordance with the Investment and Financial Services Association (IFSA) standards. Total returns are calculated to the last day of each month (unless otherwise indicated) using exit prices and assuming reinvestment of distributions (which may include net realised capital gains from the sale of fund assets).

An investment in BT Super for Life is not a deposit with, or any liability of, Westpac Banking Corporation ABN 33 007 457 141, or any other company in the Westpac Group of companies. For further information refer to the PDS.