

BT Business Super

Product Disclosure Statement (PDS)

Dated 16 January 2012



Things you should know

This PDS summarises the key information you need to make a decision in relation to BT Business Super ('BT Super'). It includes references to additional information that is part of this PDS (incorporated by reference) – marked with an **1**. This is important information you should consider before making a decision in relation to BT Super, and is available free of charge at bt.com.au or by calling 132 135.

The information in this PDS is general information only and does not take into account your personal financial situation or needs. You may wish to consult a Financial Planner to obtain financial advice tailored to suit your personal circumstances.











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 (Westpac), or any other company in the Westpac Group. It is subject to investment risk, including possible delays in repayment or loss of income and principal invested. Westpac and its related entities do not stand behind or otherwise guarantee the capital value or investment performance of any Investment Options or any related assets of BT Super.

Information in this PDS is subject to change from time to time and may be updated by us. Updated information, if it is not materially adverse, can be obtained by going to our website at bt.com.au, contacting the Financial Planner for your BT Super account (your Financial Planner) or by calling the BT Contact Centre. You can request a paper copy of any updated information at any time and this will be provided free of charge.

Contact us

If you have any questions about BT Business Super, call the BT Contact Centre on 132 135 from 8.00am to 6.30pm (Sydney time), Monday to Friday.

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i 1. About BT Business Super

Brought to you by BT Financial Group (BT)

- BT has been helping Australians create and manage wealth since 1969.
- BT provides a diverse range of investment choices, including funds managed by some of the world's leading global investment managers.
- BT is a wealth management specialist that's wholly owned by Westpac.

Who is responsible for BT Super?

BT Business Super ('BT Super') ABN 81 236 903 448 forms part of the Business Plan of the Westpac Master Trust – Superannuation Division (Fund) and is issued by Westpac Securities Administration Limited ('WSAL', 'Trustee', 'we', 'our' or 'us') ABN 77 000 049 472, AFSL 233731 which is a member of the Westpac Group. The Superannuation Product Identification Number for BT Super is WFS0112AU.

All assets of BT Super are invested in a policy issued by Westpac Life Insurance Services Limited ABN 31 003 149 157, AFSL 233728 (Westpac Life). Westpac Life invests such assets in its No. 2 statutory fund with the exception of the BT Investor Protected Investment Option, which is invested in its No. 1 statutory fund. Westpac Life is also responsible for the administration of BT Super.

BT Super provides insurance through a group policy with an external insurer. The cover under this group policy is provided by AIA Australia Limited ABN 79 004 837 861 AFSL 230043 ('the Insurer').

Your rights in relation to the Fund and BT Super are governed by the Trust Deed, (which overrides any provisions in the PDS) the Superannuation Industry (Supervision) Act 1993, the Corporations Act 2001, related legislation governing super and the general law.

2. How super works

About super

Super is a means of saving for retirement. It may be a compulsory requirement and could become one of the biggest investments you will make in your life. Nearly every Australian has the right to choose the fund into which their employer should pay super. The Australian Government has provided tax savings and other benefits which generally makes super a great long-term investment vehicle.

Contributions

There are different types of contributions that can be made to super – for example, employer, voluntary and government co-contributions. Generally, if you are aged less than 65, contributions into super can be accepted from you, your spouse or your employer. Once you turn 65, there are strict rules around the acceptance of contributions. There are also limits (known as 'caps') on the amount of most contributions that are made to your super. If you exceed the caps, additional tax may be payable.

Withdrawals

There are withdrawal limitations that apply to super. Generally you cannot access your super until you have reached age 65, or retired after reaching your preservation age (currently between 55 and 60, depending on your date of birth). In limited circumstances, your super can be accessed before you retire if you meet a condition of release under superannuation law.

! You should read the important information about How super works before making a decision. Go to the Additional Information Booklet. The material relating to How super works may change between the time when you read this statement and the day you join BT Super.

3. Benefits of investing with BT Business Super

A super account that rewards savings

BT Super rewards a growing super balance by discounting fees as your balance increases. See 'Fees and costs' in section 6 for more information.

Great range of Investment Options

We have a broad range of Investment Options to fit your financial situation, goals and preference for risk.

Access to your account anytime

You can monitor your account online at bt.com.au or via our automated phone service on 132 135.


When you change jobs

When we are told that you have left your employer, depending on your balance, you (and your spouse, if applicable, depending on their balance) will automatically become 'personal members' within the Retained Benefits section of BT Super. This means you can keep your BT Super account and many of the benefits regardless of where you work.

Keeping you informed

We keep you up-to-date with important changes to your BT Super account:

- **When you join** – You will receive a Super Starter Pack with your account details and access details for your secure BT Online account and BT Link phone services.
- **Ongoing** – You will receive an Annual Super Statement detailing your account information for the year, the Super Investor newsletter, Annual Reports on our website and confirmation of certain transactions.

 You should read the important information about the Benefits of investing in BT Business Super before making a decision. Go to the Additional Information Booklet. The material relating to the Benefits of investing in BT Business Super may change between the time when you read this statement and the day you join BT Super.

4. Risks of super

All investments involve risk. Super funds may invest in a range of asset classes – including cash, fixed interest, property and shares – that have different levels of risk.

BT Super offers a variety of Investment Options, containing different weightings of these asset classes. The likely investment return, and the level of risk of losing money, is different for each Investment Option depending on the underlying mix of assets.

Generally, the higher the potential return of an investment over the longer-term, the greater the level of risk of loss in the shorter-term.


What are the risks involved?

When considering your investment in super, it is important to understand that:

- investments will fluctuate in value
- returns are not guaranteed and you may lose some of your money
- investment returns can be volatile and may vary. Past performance is not a reliable indicator of future performance
- laws affecting your super may change in the future, and
- the amount of your future super savings (including contributions and returns) may not be enough to provide adequately for your retirement.

Risks associated with a particular Investment Option could include (among other things) risks specific to a certain security, market risk, currency risk, interest rate risk, derivatives and gearing risk, alternative investments risk, credit risk, liquidity risk and legal and regulatory risk.

The appropriate level of risk for you will depend on your age, investment timeframe, where other parts of your wealth are invested, and your risk tolerance.

 You should read the important information about the Risks of super before making a decision. Go to the Additional Information Booklet. The material relating to the Risks of super may change between the time when you read this statement and the day you join BT Super.

5. How we invest your money

If your initial investment is less than \$1,500, or if your balance falls below \$1,200, it will be invested in the BT Investor Protected Investment Option. For more information, refer to 'BT Investor Protected Investment Option' in the 'How we invest your money' section of the Additional Information Booklet.

When your balance exceeds these thresholds, you can choose from over 30 Investment Options managed by a range of leading investment companies.

Alternatively, if you don't make a choice, your contributions will be invested in the Default Investment Option selected by your employer from the table below. If your employer has not chosen a default, the Trustee's default Investment Option will apply.

Your Super Starter Pack will confirm your default Investment Option.

Default Investment Options
Westpac Balanced Growth (Trustee default)
Westpac Dynamic Growth
Westpac Moderate Growth
BT Active Balanced
Schroder Balanced
BT Multi-manager Balanced
BT Multi-manager Growth
BT Multi-manager Conservative

In certain circumstances, the Trustee may approve a request to nominate a Default Investment Option other than the above.

Changing your investments

You can change your investment choice at any time, either online at bt.com.au or by completing the Investment Choice/Switch Request form.


Warning: Before you decide on how you want your super to be invested, you must consider the likely investment return, risk and your investment timeframe.

Investment details for the Westpac Balanced Growth Investment Option

The default Investment Option nominated by the Trustee is summarised in the table below. You can find information on the other Investment Options available through BT Super in the Additional Information Booklet.

Investment objective	Aims to provide a high level of capital growth over the long-term from a balanced portfolio of assets.		
Investment strategy	Invests either directly or indirectly through collective investments (such as life policies or unit trusts) so that the underlying assets of the Investment Option consist of a diversified portfolio of mainly growth assets (Australian and international shares and property) and to provide for the potential for long term capital growth.		
Minimum suggested investment timeframe	5 years +		
Asset allocation neutral position (NP) and ranges¹	Asset type	NP (%)	Range (%)
	Australian shares	33	23–43
	International shares	33	12–32
	Australian property	10	0–20
	Australian fixed interest	20	10–30
	International fixed interest	10	0–20
	Cash and other	5	0–20
Risk level	Moderate – for investors who are looking for good long-term returns while minimising large ups-and-downs in the short-term.		

¹ For the most current neutral positions and ranges, please refer to our website.

 You should read the important information about How we invest your money before making a decision. Go to the Additional Information Booklet. The material relating to the How we invest your money may change between the time when you read this statement and the day you join BT Super.

\$ 6. Fees and costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

This section provides summary information about the main fees and costs that you may be charged for the Westpac Balanced Growth Investment Option detailed in this PDS. You can also use this information to compare the fees and costs with those for other super products.

These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole.

Type of fee or cost	Amount	
Fees when your money moves in or out of the fund		
Establishment fee	Nil	
Contribution fee	Nil	
Withdrawal fee	Nil	
Termination fee	Nil	
Management costs		
The fees and costs for managing your investment		
Administration fee¹	Your BT Super account balance	
	First \$50,000	0.95% pa
	Next \$100,000	0.75% pa
	Balance over \$150,000	0.25% pa
Issuer fee ¹	0.70% pa	
Expense recoveries	0.36% pa	
Member fee ¹	\$4.85 per month ²	

1_ The amount of this fee may have been negotiated by your employer.

2_ The Member fee may increase each 1 July in line with the Consumer Price Index. The amount shown in the table is for the 2011/2012 financial year.

Warning: There may be additional service fees payable. Refer to the 'Additional explanation of fees and costs' in this section for more information.

Example of annual fees and costs for a balanced Investment Option

This table gives an example of how the fees and costs in the balanced Investment Option for this product can affect your super investment over a one year period. You should use this table to compare this product with other super products.

EXAMPLE – Westpac Balanced Growth		BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING YEAR*
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	0.95% Administration fee + 0.70% Issuer fee + 0.36% Expense recoveries = 2.01% + \$58.20 (\$1.12 per week)	And , for every \$50,000 you have in the fund, you will be charged \$1,005 each year plus \$58.20 in Member fees regardless of your balance.
EQUALS Cost of fund		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged fees of: \$1,063.20 What it costs you will depend on the Investment Option you choose and the fees you negotiate with your employer.

*The contribution of \$5,000 is assumed to be deposited to your account at the end of the year.

Additional explanation of fees and costs

GST and taxes

The fees and costs quoted in this section are inclusive of GST, net of any applicable Reduced Input Tax Credits and net of any applicable tax deductions. The benefit of tax deductions is passed on to members in the form of a reduced fee or cost.

Adviser fees

Warning: If you or your employer's plan is using the services of a Financial Planner, the Financial Planner may charge you a fee or we may pay them a commission for implementing your BT Super investment and providing ongoing advice services to you. Please see your Financial Planner's Financial Services Guide and/or Statement of Advice for more details about such commission and other remuneration details.

Changes in fees and costs

We may alter any of the fees and costs without your consent (up to specified maximums that apply). The maximum fees and costs allowed under the Trust Deed are set out in the Additional Information Booklet. If we increase the fees and costs, you will receive at least 30 days advance notice.

! You should read the important information about Fees and costs before making a decision. Go to the Additional Information Booklet. The material relating to Fees and costs may change between the time when you read this statement and the day you join BT Super.

7. How super is taxed

There are generally three main taxes that apply to super:

Tax on contributions

Some, but not all contributions have tax applied to them. Tax on contributions is deducted at a maximum rate of 15% (provided you have supplied your Tax File Number (TFN)) quarterly in arrears, or on receipt of a personal tax deduction notice. If you do not supply us with your TFN, we are required under law to either reject your contribution or deduct additional tax of 31.5% from it.

Warning: While you can contribute any amount, you may incur additional tax of up to 46.5% if contributions exceed certain caps. It is your responsibility to make sure you don't exceed the contribution caps. For more information, refer to the Frequently Asked Questions at bt.com.au.

Tax on earnings

Investment earnings and capital gains are taxed at a maximum rate of 15% within the life company, but some capital gains may be taxed at the concessional rate of 10%. Tax on earnings and capital gains is reflected in the Investment Option's unit price and is not deducted directly from your account.

Tax on withdrawals

If you are aged 60 or over, withdrawals from your account are generally tax-free.

If you are under the age of 60, your lump sum withdrawals will not incur any tax on the tax-free component. The amount of tax payable on the taxable component will depend on your age when you make the withdrawal.

Different rates of tax and rules for withdrawing your super may apply if you are or were a holder of a temporary visa under the Migration Act 1958.

! You should read the important information about How super is taxed before making a decision. Go to the Additional Information Booklet. The material relating to How super is taxed may change between the time when you read this statement and the day you join BT Super.



8. Insurance in your super

What insurance is included in my BT Super?

You may be eligible to receive 'Employer Plan Cover', which provides Automatic Acceptance of cover without the need for medical checks, up to specified limits (called 'Automatic Acceptance Limits'). You may also apply for cover above the Automatic Acceptance Limits.

The types and amounts of insurance available are:

Type of cover	Maximum cover (subject to approval by the Insurer)	Cost of cover per month
Death Only cover	No predetermined limit (the limit is approved by the Insurer).	From \$0 to \$23.94 ¹ per \$10,000 sum insured.
Total and Permanent Disablement (TPD) cover (only available in conjunction with Death cover)	Up to \$3 million, depending on your age, membership type and employment status.	From \$0 to \$37.38 ² per \$10,000 sum insured. This cost includes Death cover.
Salary Continuance Insurance (SCI) cover	Up to 75% (plus up to 15% super contributions, if applicable) of your Pre-disability Income or \$30,000 per month benefit, whichever is lesser.	From \$0 to \$20.40 ³ per \$100 monthly sum insured.

1_ Maximum based on a Male aged 75 at next birthday, working in a heavy blue collar occupation.

2_ Maximum based on a Male aged 65 at next birthday, working in a heavy blue collar occupation.

3_ Maximum based on a Female aged 62 at next birthday, working in a heavy blue collar occupation, with a 30 day waiting period and To Age 65 benefit period.

Costs of cover

The amount you pay for insurance is called the premium. Your premium will usually depend on a number of factors including:

- the level and type of insurance cover
- your age
- your gender
- your occupation, and
- your membership classification (this factor is not currently applicable but may apply in the future).

Premiums are deducted monthly from your account and are generally tax deductible to BT Super. The benefit of this deduction is passed on to you in the form of a reduced fee or cost where applicable.

! Insurance premium rates are set out in the Additional Information Booklet.

You must advise us when your employment status changes so that your premiums and cover can be reviewed and adjusted as appropriate.

How to apply

If you are a new member and are eligible for Automatic Acceptance of cover you may not need to apply for cover. Your Super Starter Pack will confirm details of cover that has been automatically granted. To apply for additional cover, complete the Application forms available at bt.com.au. Additional cover is subject to the assessment of medical evidence and acceptance of the cover by the Insurer.

Changing cover

You can change your cover by submitting the relevant Application form available at bt.com.au. You can apply for more cover, or fix, reduce or cancel cover.

Life Stage Insurance

Our 'Life Stage Insurance' option allows you to increase your Death Only or Death and TPD cover without any additional evidence of health after the occurrence of certain personal or business events.

Cover for personal and spouse members

If your spouse is also a member of BT Super, they can apply for Death Only or Death and TPD cover, and/or SCI cover at the rates disclosed in the Additional Information Booklet plus any group discounts negotiated by your participating employer (if applicable).

Automatic Acceptance of cover is not available for spouse members. All cover is subject to the assessment of medical evidence and acceptance of the cover by the Insurer.

Warning: Important information about insurance is included in the Additional Information Booklet, including: eligibility for, and cancellation of insurance cover; conditions and exclusions applicable to the cover; the level and type of cover available; and the costs of insurance. This information may affect your entitlement to insurance cover.

! You should read the important information about Insurance in your super before making a decision. Go to the Additional Information Booklet. The material relating to Insurance in your super may change between the time when you read this statement and the day you join BT Super.



9. How to open an account

This PDS can only be used by persons receiving it (electronically or otherwise) in Australia. Applications from outside Australia will not be accepted.

Steps to apply

BT Super is open to employees of a participating employer, self-employed persons, and spouse of employer sponsored members.

As a new member, you will receive a Super Starter Pack which includes details of your account, such as:

- fees
- insurance, and
- your contact details.

If your employer has opened your account for you, you do not need to do anything.

If you are not an employer sponsored member, the first step in opening your account is to consult the Financial Planner nominated by your employer. The Financial Planner will help you complete the necessary forms to establish your account.

If your account has been set up for you by your employer you don't need to complete an application form.

A minimum initial investment amount of \$500 applies spouse members.

Cooling-off period (for employers and non-employee members only)

Employers and non-employee member (such as a sole trader or spouse) are entitled to a 14-day cooling-off period in respect of your first application for participation in BT Super and your membership or membership of your employees.

This 14-day cooling-off period commences on the earlier of:

- your receipt of confirmation of your application for participation in BT Super, or
- the end of the fifth business day after the interest in BT Super is issued to you (if you are a non-employee member) or interests in BT Super are first issued to your employees (if you are an employer).

See 'Other information' in the Additional Information Booklet for more information on your rights under the cooling-off period.

Complaint resolution

If you have a concern or complaint about the operation or management of BT Super, please contact the BT Contact Centre on 132 135. If your concerns cannot be resolved over the phone, you can outline your complaint in writing to our Complaints Officer at:

Complaints Officer
BT Financial Group
GPO Box 2675
Sydney NSW 2001

We will endeavour to resolve your complaint within 30 days of receiving your written correspondence, and are required by law to deal with your complaint within 90 days.

However, if you are not satisfied with the response, or have not received one within 90 days, you may contact the Superannuation Complaints Tribunal (the Tribunal) by calling 1300 884 114 or writing to Locked Bag 3060, Melbourne VIC 3001. The Tribunal is an independent body established by the Government to help retail members of super funds resolve complaints.



10. Other information

Basis of this PDS

This PDS has been prepared in accordance with our obligations under the Corporations Act 2001 and does not form the basis of contractual relations between you and us except where this is specifically intended to be.

We reserve the right to change the features and provisions of this product but will provide you with notice of any such change.

! You should read the important information about Other information before making a decision. Go to the Additional Information Booklet. The material relating to Other information may change between the time when you read this statement and the day you join BT Super.



Like to know more?

Contact details

If you have any questions or would like more information about BT Business Super

- **Phone**
Members – 132 135
Employers – 1300 553 010
- customer.relations@btfinancialgroup.com
- bt.com.au