

BT Super for Life

Annual Report

for the year ended 30 June 2011



Contents

Your 2010/2011 Annual Report	1
Industry awards	2
Insurance through BT Super for Life	4
Recent developments in superannuation and changes to BT Super for Life	5
Understanding your investment	7
Performance information	9
Investment option profiles	12
Investments exceeding 5%	15
Fees and other costs	18
Other important information	19

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An investment in BT Super for Life 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 is not the issuer of BT Super for Life. Neither the Bank nor any other company in the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of any investment option offered through BT Super for Life, including the BT Super for Life — Super cash investment option.

The information contained in this document is general information only and does not take into account your individual objectives, financial situation or needs. You should assess whether this information is appropriate to you, having regard to your objectives, financial situation and needs and talk to your financial adviser before making an investment decision. A Product Disclosure Statement (PDS) is available for BT Super for Life on this website: btsuperforlife.com.au, or by calling 1300 653 553. You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of interests in BT Super for Life.

Retirement Wrap is a regulated superannuation fund under the Superannuation Industry (Supervision) Act 1993 (SIS) and is not subject to a direction under section 63 of SIS. BT Super for Life is governed by the terms of the BT Super for Life Trust Deed.

The Annual Report was prepared on 15 December 2011.

Any statements as to past performance are not necessarily indicative of future performance.

Your 2010/2011 Annual Report

Dear investor

Looking back over the events of the last year, the level of global market volatility certainly stands out. Europe — with its heavy sovereign debt burden — and the geopolitical unrest across the globe have contributed to an unsettled environment. It's not surprising that these market conditions have un-nerved investors.

However, when it comes to superannuation — for many of us, our largest investment — keeping our sights fixed on the long-term is critical. That's why at BT our approach is to navigate through the short-term volatility, manage risk and make insightful and strategic decisions while delivering consistent performance in the long-term.

You can rest assured that with BT Super for Life, your superannuation is in good hands. Our investment management experts in Advance this year won two major awards recognising the quality and strength of our team.

Advance — who assesses, selects, monitors and reports on the managers behind our BT Multi-manager investment options — was named 2011 Fund Manager of the Year by the Australian Financial Review's Smart Investor as well as Money magazine's Best Fund Manager for 2012¹.

While we don't expect the volatility to ease in the short to medium term, our longer-term market outlook is very positive. In the long run that will mean greater consistency of investment returns and a more comfortable retirement for our customers.

Your super is our priority

Markets move in cycles and to make the most of the recovery phase, having a strategy that's right for you is important. Whether it's cutting out unnecessary fees by consolidating multiple accounts or looking into savings incentives like salary sacrificing — there is a range of options available to you. Visit www.bt.com.au to find more information.

Helping you make the right decisions for your superannuation is our priority. If you have any questions about your BT Super Life arrangements or feedback on other ways we can help you, please contact our BT Contact Centre on 1300 653 553 or email us at customer.relations@btfinancialgroup.com.

Yours sincerely,



Brad Cooper
Chief Executive Officer
BT Financial Group

¹_As measured by the S&P/ASX200 Accumulation Index.

Industry awards

While awards aren't everything, it's reassuring to know that with BT Super for Life, you're investing your money with a company and product recognised for innovation, cost-effectiveness, value for money and customer service.

SuperRatings Gold Rating 2012



BT Super for Life — Savings account and the BT Super for Life — Retirement account were both awarded SuperRatings prestigious Gold Rating for 2012 for the third year running.

This rating is based on SuperRatings' assessment of BT Super for Life's performance in a number of areas such as investment performance, fees and charges, customer education, insurance, administration, and governance.

SuperRatings' Managing Director comments on the status of the Gold Ratings awarded to BT Super for Life "Like all SuperRatings' awards, after exhaustive research and analysis only a limited number of funds have been awarded our prestigious Gold Rating".

SuperRatings Infinity Recognised 2011



In 2011, BT Super for Life was awarded an 'Infinity Recognised' logo for clearly demonstrating excellent sustainable business practices and responsible investment principles. BT Super for Life was one of the 11 funds that received this award this year.

The 'Infinity Recognised' logo was awarded after SuperRatings conducted its annual Infinity rating review. This review assessed super funds with respect to their actions in addressing climate change through adopting sustainable processes and responsible investment principles.

SuperRatings' research methodology incorporated two key assessment areas; internal fund operations and investment principles. The methodology was intended to recognise the funds that have adopted leading sustainable operational processes and demonstrated responsible investment practices.

Out of this process, the 'Infinity Recognised' logo is awarded to the elite group of funds leading the industry in terms of sustainable practices.

Super Savvy The One Award 2012



Supersavvy members vote for their favourite fund in the areas of performance, communication, innovation, value and overall appeal.

"This is a great win for BT Super for Life," said Melanie Evans, Head of Super and Platforms, BT Financial Group; "It's especially pleasing that it was voted for by Supersavvy's members — people with first-hand experience — and not a panel of industry experts".

In its report, Supersavvy praised BT Super for Life's ease of use and integration with internet banking: "Saving for retirement is now as convenient as day-to-day banking. This makes it easy to contribute; and easier to save. And that has to be a good thing."

BT Super for Life was also commended for its communications approach to members and continued focus on the value of long-term investment.

Advance Asset Management Fund Manager of the Year 2011



Advance Asset Management is a specialist asset management business within BT Financial Group, and is one of the underlying investment managers of the Lifestage funds.

Advance won the overall title of Fund Manager of the Year at the *Financial Review Smart Investor* Blue Ribbon Awards 2011, as well as the Multi-Sector Conservative category for its Defensive Multi-Blend Fund and the Multi-Sector Growth category for its Balanced Multi-Blend Fund.

The annual *Financial Review Smart Investor* Blue Ribbon Awards acknowledge and celebrate leading products and services in the field of investment, finance, banking and insurance.

According to research house Morningstar, which judged the award, “Advance was a worthy winner whose people, processes and risk-adjusted performance, particularly in the last year, represent an exemplary manager relative to its competitors”.

Advance Asset Management Best Fund Manager 2012



At the end of an outstanding year, Advance also won three more accolades in *Money* magazine’s Best of the Best Awards, including *Money* magazine’s Best of the Best award for Best Fund Manager in 2012.

Head of Advance, Patrick Farrell, said the win reflected the hard work of a committed team with decades of investment expertise and demonstrated how Advance’s flexible approach to investing allows it to successfully navigate investment markets.

“It’s our people that make investment decisions, not a process or a model. We have access to the best expertise locally and globally and as a result our Multi-manager funds benefit from the best possible thinking and expertise. We know we have a tried and tested process of investment management that’s been proven even in the most challenging market conditions, and we’re delighted that we’ve been recognised for this.”

Money magazine is the longest running and most read personal finance magazine in Australia. Every year *Money* partners with Canstar Cannex to identify more than 250 products and services across 60 categories. Now in its 11th year, *Money* magazine’s annual Best of the Best Awards provide readers with a guide to the best financial products and services in Australia.

Insurance through BT Super for Life

Insurance through BT Super for Life offers you and your family:

- A range of options that provide comprehensive protection
- Automatic acceptance for Death and Total & Permanent Disablement cover — no questions asked
- Premiums are deducted from your Super balance which means no change to your take home pay.

Arranging insurance through BT Super for Life does not impact your take home pay and can offer tax effective cover to ensure that you and your family are protected should the unexpected happen.

Life insurance can provide you with the comfort of knowing that insurance benefits will help you and your family continue to pay the mortgage and help meet day-to-day expenses should you die or suffer permanent disablement. While money can never replace the loss of loved ones, it's comforting to know the people who depend on you will be assisted financially.

The types of insurance available through BT Super for Life:

- Death (including Terminal Illness)
- Total & Permanent Disablement (TPD)
- Salary Continuance Insurance (SCI) — also known as Income Protection

Death & TPD cover provide a lump sum benefit if you die, or become totally and permanently disabled.

Terminal Illness cover provides a lump sum benefit if you suffer a sickness or illness with a life expectancy of 12 months or less.

Salary Continuance Insurance cover provides a regular monthly benefit if you become temporary disabled due to sickness or injury and are unable to work.

How to apply

Customers that joined BT Super for Life after the 13th November 2011 will have automatically received Standard Death and TPD cover when their account was opened, no questions asked.

If you do not have insurance and wish to apply for insurance, you will need to apply for Customised cover. For Customised Death, Terminal Illness, Total Permanent Disablement, and/or Salary Continuance insurance, log onto your account and download the relevant forms.

Please ensure that you read the Product Disclosure Statement (PDS) for terms and conditions that apply to the relevant insurance cover. The PDS can be found at www.btsuperforlife.com.au.

Recent developments in superannuation and changes to BT Super for Life

2011/12 superannuation thresholds

For the 2011/12 financial year, the concessional contributions cap (that is, the amount you can contribute pre-tax) is \$25,000 per individual. In subsequent years, this concessional contributions cap will be indexed to Average Weekly Ordinary Time Earnings (AWOTE), rounded down to the nearest \$5,000.

If you are aged 50 or over, the annual cap is \$50,000 (not indexed) until 30 June 2012.

The non-concessional contributions cap will be set at six times the concessional contributions cap. This means for 2011/12 the non-concessional cap will remain at \$150,000 (six times the concessional contributions cap of \$25,000). Those under age 65 can 'bring forward' two years' worth of personal contributions, allowing them to contribute up to \$450,000 non-concessional contributions in a three-year period.

For more information see the Frequently Asked Questions section online.

Government superannuation co-contribution

The maximum co-contribution will be permanently retained at \$1,000 and the co-contribution matching rate will be permanently retained at \$1 (or 100%). Indexation of the co-contributions lower threshold will be suspended until 30 June 2012. For 2012/13 and subsequent years, the co-contributions lower threshold will be indexed annually to Average Weekly Ordinary Time Earnings (AWOTE).

This means, for 2011/12, if you meet the Government co-contribution eligibility criteria, make a personal after-tax contribution and your total income is less than \$31,920 the Government will contribute \$1.00 for each dollar you contribute up to \$1,000. The maximum co-contribution payable is phased out by 3.333 cents for every dollar you earn over \$31,920, until your total income reaches \$61,920.

Minimum pension payments

The Government has provided a reduced level of relief from the minimum pension payment requirements for the 2011/12 financial year.

This means that your minimum pension payment specified by Government regulations will be reduced by 25% for the year ended 30 June 2012. For example, if your minimum payment requirement for the 2011/12 financial year was \$10,000, you will be able to choose to take a payment of only \$7,500 for the financial year.

As a result of this change, we have updated the minimum income amount on all existing Retirement and Transition to Retirement accounts, to the revised minimums for 2011/12.

To see your minimum payment amount for 2011/12, log on to your BT Super for Life account; click on Withdrawals, then yearly minimum income.

Flood Levy

The Government has introduced a Temporary Flood and Cyclone Reconstruction Levy (flood levy) applying for the 2011/12 financial year only. The flood levy will apply to Australian and foreign resident individuals who have a taxable income over \$50,000 in the 2011/12 financial year. This means the flood levy applies to certain payments from superannuation that are included in your taxable income.

If you are under age 60 when you receive a lump sum superannuation payment in 2011/12, flood levy of up to 1% may be withheld from the taxable component in addition to the current rates of withholding tax.

Flood levy will not apply to lump sum payments you receive in 2011/12 if:

- you are aged 60 or over
- the taxable component of the payment is \$50,000 or less
- you have not provided your TFN (tax will be withheld from the taxable component at the top marginal rate, 46.5% for residents and 45% for non-residents)
- the total payment is less than \$200 and is your entire superannuation benefit
- you receive the payment because you have a terminal medical condition
- the payment is a Departing Australia Superannuation Payment (DASP)

In addition, no flood levy will be payable for a superannuation lump sum payment paid as a result of the death of a member to a beneficiary who is a dependant for tax purposes.

Recent developments in superannuation and changes to BT Super for Life (cont'd)

Retirement and Transition to Retirement accounts

If you are under age 60 and the total taxable component of all income payments received from your pension in the 2011/12 financial year is more than \$50,000, flood levy of up to 1% may be withheld from the taxable component of your income payments in addition to the current rates of withholding tax.

You may be exempt from paying the flood levy if you:

- were eligible for an Australian Government Disaster Recovery Payment for a natural disaster that occurred during 2010/11 and you received the payment before 30 June 2012
- were affected by an event that occurred during 2010/11 declared as a natural disaster under the Natural Disaster Relief and Recovery Arrangements and meet certain other criteria
- received an ex-gratia payment from Centrelink before 30 June 2012 because you are a New Zealand citizen holding a special category visa and were not eligible to receive an Australian Government Disaster Recovery Payment

Additional conditions apply. Further information is available at www.ato.gov.au.

Understanding your investment

Investing in BT Super for Life

BT partners with some of the world's leading fund managers to offer you a diversified range of asset types and investment management styles. You have two alternatives for investing your money:

Alternative 1

BT Super for Life — Lifestage Funds

The default option is the Lifestage Funds, invested according to the decade of your birth. As you get closer to retirement, we invest the assets more conservatively than we would for someone who had longer years to wait until retirement. The Lifestage Funds invest across a mix of different asset classes including fixed interest, cash, shares and property. The funds are invested through a Multi-manager approach, giving you access to a broad range of expert investment managers.

As time passes, the assets will continue to be invested more conservatively, to protect your investments from the ups and downs of the market and give you a more stable performance. You do not need to actively manage your Lifestage Fund, we do the adjusting for you.

Alternative 2

If you prefer to take a more active role in deciding how your money is invested, you can specify an investment mix yourself by making your own choice from the investment options we offer, suited to your own investment style.

You can select a mix from four different funds — Growth, Moderate, Conservative and Super Cash, deciding on what percentage you would like in each. These funds are managed by BT Investment Management, who also employ a range of investment managers who they determine to be the best in their field.

Changing your investment

You can change how you wish your money to be invested at anytime online, by logging into your account. More information about these investment options can be found online at www.btsuperforlife.com.au.

No transaction fee applies for switches between Investment options, however a buy/sell spread may apply. There is no limit to the number of switches that you can perform on your account. You can switch between Investment options online by logging in to internet banking.

For the investment objectives and strategies for each individual Investment option, please see 'Investment options' on pages 10, 11 and 12.

Changes to investment option details

We have the right to change the investment option objective and investment strategy (including the benchmark), asset allocation, target position, investment manager(s) and possible variation and currency strategy (if any), without prior notice in some cases. We will inform account holders of any significant material change to the investment option details in our next regular communication or as otherwise required by relevant law.

Net earnings

The earnings rate for investors in the Investment option is reflected in the price of the units (except Super Cash), rather than being credited or debited against the accounts for investors. A change in the value of an investor's unit price generally reflects the earnings of the supporting assets in the Investment option (except Super Cash).

Method of allotment of earnings in all investment options

All income, including realised and unrealised capital gains and losses, and expenses for all Investment options are brought to account and are fully reflected in the unit price of that option. Income tax as appropriate is provided for in the unit price or interest rate for each Investment option.

Understanding your investment (cont'd)

Types of risks

There will always be the risk of fluctuations in the value of an investment. Investment risk can be managed and even minimised but it cannot be completely eliminated. It is important to understand that not all risks are foreseeable. There is always the chance that you may lose money on any investment you make.

Some common types of investment risks are outlined in the table below.

Risk type	Description
Security specific risk	An investment in, or exposure to, a company or managed fund may be affected by unexpected changes in that company's or managed fund's operations (due to quality of management, use of technology etc.) or its business environment.
Market risk	Markets are affected by a multitude of factors including economic and regulatory conditions, market sentiment, political events and environmental and technology issues. These could have a negative effect on the returns of all investments in that market and this may affect investments differently at various times.
Currency risk	If an investment is held in international assets, a rise in the Australian dollar relative to other currencies may negatively impact investment values or returns.
Interest rate risk	Changes in interest rates can have a negative impact either directly or indirectly on investment value or returns of all types of assets.
Derivatives and gearing risk	Underlying funds may use derivatives and gearing (borrowing). The value of derivatives is linked to the value of the underlying assets and can be highly volatile. Potential gains and losses from derivative transactions can be substantial.
Alternative investments risk	Underlying funds may invest in 'alternative investments'. Alternative investments is a category that includes a range of sophisticated investments including hedge funds, venture capital, private equity, leveraged and management buyouts, commodities and futures trading funds. Like shares, property, fixed interest and cash, alternative investments are subject to certain risks that may include periods of large market falls, high volatility or reduced liquidity (ie the ability to sell investments immediately). Certain alternative investments carry significant risk. In addition, losses may arise due to other factors, including poor judgement, misconduct or fraud. Some investment strategies are reliant on key individuals. Some alternative investments may be based in countries where the level of regulatory supervision is lower than in Australia.
Credit risk	There is always a risk of loss arising from the failure of a debtor or other party to a contract to meet their obligations. This potentially arises with various investments including derivatives and fixed interest and mortgage securities.
Liquidity risk	This is the risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay because of either not enough buyers in the market for the particular investment or disruptions in the marketplace. Securities in small companies in particular may, from time to time and especially in falling markets, become less liquid.
Legal and regulatory risk	Changes are frequently made to superannuation law, which may affect your ability to access your investments. Changes can also occur in the taxation of superannuation, which may affect the value of your investment.

Performance information

How we calculate performance

Performance figures are calculated in accordance with the Financial Services Council (FSC) standards. Fund performance is calculated after management fees and before tax. The administration fee is not taken into account. Total returns are calculated:

- Using withdrawal prices appropriate for the month end
- For BT Super for Life — Savings investment options only, taking into account earnings tax up to a maximum of 15% plus withholding tax paid on foreign income (if any)
- For BT Super for Life — Retirement investment options, no allowance is made for tax you may pay as an investor other than withholding tax on foreign income (if any)

The latest performance information is available from our website at www.btsuperforlife.com.au or by calling BT Customer Relations on 1300 653 553.

Investment returns shown are historical. Investment returns can go up and down and past performance is not a reliable indicator of future performance. Future performance is not guaranteed.

The year in review

The fallout from the global financial crisis from late 2007 through until early 2009 continues to plague the global economy and financial asset markets through negative global investor risk appetite, and the extremely slow pace of the global economic healing process and strong investor reluctance to incur capital losses on investments are partly to blame. This past year we've seen both highs and lows — highs as world economies have strived towards recovery and growth, but also some lows particularly in the last couple of months as geopolitical turmoil and social unrest have unsettled certain countries and upset the delicate global geopolitical balance as well as uncertainty about the heavy sovereign debt burden in some European countries has surfaced to un-nerve investors. Our strategy during this entire time has been to look through the volatility of these events, manage risk and make insightful and strategic decisions that will deliver consistent performance in the long-term.

Advance Investment Team

A great deal of the recent performance success in the Lifestages funds can be attributed to BT's highly experienced Advance Investment Team, led by Patrick Farrell. His team is responsible for assessing, selecting, monitoring and reporting on the managers who manage different investments in the BT Multi-manager investment options. The team was awarded Financial Review Smart Investor Fund Manager of the Year in 2011. According to research house Morningstar, which judged the award, Advance was a worthy winner whose people, processes and risk-adjusted performance, particularly in the last year, represent an exemplary manager relative to its competitors.

Where are we now?

Our investment experts anticipate financial markets will continue to be volatile in the short to medium term and believe that growth assets like shares should provide returns that are superior to defensive investments like cash over the long-term. During periods of high volatility and nervousness, financial markets offer investors unique opportunities to acquire assets that are cheap, attractive and of great value. We believe recent market turmoil has made growth assets, such as equities, listed property and commodities, extremely attractive to investors who have the capacity to take on risk, while defensive assets such as global bonds have become extremely expensive.

Performance information (cont'd)

Performance as at 30 June 2011

BT Super for Life – Savings as at 30 June 2011

Lifestage fund	Fund size 30 June 2011 (\$m)	Fund performance to 30 June 2011						One year return to 30 June 2010
		1 mth	3 mths	6 mths	1 year	3 year	Since incep.	
1990s Lifestage fund	12.28	-1.59	-1.96	0.69	10.11	1.44	-3.65	13.72
1980s Lifestage fund	187.04	-1.59	-1.99	0.63	10.20	1.21	-3.85	13.45
1970s Lifestage fund	242.73	-1.56	-1.96	0.70	10.19	1.22	-3.85	13.49
1960s Lifestage fund	204.63	-1.35	-1.49	1.05	9.80	1.63	-3.09	13.24
1950s Lifestage fund	130.22	-0.95	-0.64	1.69	8.89	2.48	-1.33	12.24
1940s Lifestage fund	36.20	-0.49	0.32	2.40	7.88	3.49	0.41	11.42

Choose your own fund	Fund size 30 June 2011 (\$m)	Fund performance to 30 June 2010						One year return to 30 June 2010
		1 mth	3 mths	6 mths	1 year	3 year	Since incep.	
BT Super for Life – Growth fund	91.67	-1.34	-1.50	1.97	8.55	0.89	-4.35	9.39
BT Super for Life – Moderate fund	101.40	-0.54	-0.95	1.54	6.57	1.71	-1.73	9.18
BT Super for Life – Conservative Fund	62.77	-0.08	0.34	2.19	5.29	3.94	2.41	7.00

BT Super for Life – Super Cash

Choose your own fund	Fund size 30 June 2011 (\$m)	Fund performance to 30 June 2010			One year return to 30 June 2010
		1 year	3 year	Since incep.	
BT Super for Life – Savings Super Cash	280.09	3.73	3.66	3.93	2.89
BT Super for Life – Retirement Super Cash	43.20	4.40	4.31	4.63	3.41

Interest rates since inception

Effective date	Interest Rate ¹
30 June 2011	4.50%
8 March 2011	4.50%
10 November 2010	4.40%
7 October 2010	4.20%
6 May 2010	4.05%
8 April 2010	3.90%
3 March 2010	3.75%
2 February 2010	3.50%
3 December 2009	3.30%
12 October 2009	3.05%
9 April 2009	2.85%

Effective date	Interest Rate ¹
9 March 2009	3.10%
6 February 2009	3.65%
8 December 2008	4.65%
12 November 2008	5.65%
9 October 2008	6.40%
3 June 2008	7.40%
5 March 2008	6.00%
7 February 2008	5.70%
9 November 2007	5.50%
29 October 2007	5.25%

¹ Please note: Interest rates shown are gross annualised rates before the deduction of management costs (currently nil) and earnings tax (currently 15% for BT Super for Life – Savings and 0% for BT Super for Life – Transition to Retirement and Retirement). Interest rates are determined in advance and may increase or decrease at any time without notice. Past interest rates or performance are not an indication of future interest rates of performance.

BT Super for Life – Retirement as at 30 June 2011

Lifestage fund	Fund size 30 June 2011 (\$m)	Fund performance to 30 June 2010						One year return to 30 June 2010
		1 mth	3 mths	6 mths	1 year	3 year	Since incep.	
1950s Lifestage fund	8.90	-1.05	-0.73	1.99	10.28	3.24	-1.28	14.04
1940s Lifestage fund	9.46	-0.59	0.36	2.78	9.13	4.49	2.97	12.84

Choose your own fund	Fund size 30 June 2011 (\$m)	Fund performance to 30 June 2010						One year return to 30 June 2010
		1 mth	3 mths	6 mths	1 year	1 year	Since incep.	
BT Super for Life – Growth fund	2.70	-1.49	-1.55	2.43	9.55	0.87	-4.92	10.54
BT Super for Life – Moderate fund	14.54	-0.61	-1.07	1.77	7.38	1.94	-2.01	10.11
BT Super for Life – Conservative Fund	8.47	-0.10	0.37	2.56	6.10	4.56	2.75	7.64

Performance figures are calculated in accordance with the Financial Services Council (FSC) standards. Total returns are calculated using withdrawal prices appropriate for the month end and take into account management costs and, in the case of Savings investment options only, take into account earnings tax up to a maximum of 15% plus withholding tax paid on foreign income (if any). In the case of Retirement investment options, no allowance is made for tax you may pay as an investor other than withholding tax on foreign income (if any). Past performance is not a reliable indicator of future performance.

Investment options profiles

Lifestage funds

1990s Lifestage Fund	
Description	You are saving and have many years until retirement to withstand rises and falls in the value of your fund so you will have a large proportion of growth assets
Investment manager	BT and external managers
Benchmark	A range of indices

Asset allocation as at 30 June 2011

Asset type	Allocation (%)
Australian Equities	41.28
International Equities	39.76
Australian Property	1.01
International Property	3.04
Australian Fixed Interest	2.55
International Fixed Interest	4.74
Cash	2.45
Commodities	5.17

1980s Lifestage Fund	
Description	You are saving and have many years until retirement to withstand rises and falls in the value of your fund so you will have a large proportion of growth assets
Investment manager	BT and external managers
Benchmark	A range of indices

Asset allocation as at 30 June 2011

Asset type	Allocation (%)
Australian Equities	41.11
International Equities	39.62
Australian Property	0.99
International Property	2.97
Australian Fixed Interest	2.18
International Fixed Interest	4.04
Cash	4.00
Commodities	5.09

1970s Lifestage Fund	
Description	You are saving and have many years until retirement to withstand rises and falls in the value of your fund so you will have a large proportion of growth assets
Investment manager	BT and external managers
Benchmark	A range of indices

Asset allocation as at 30 June 2011

Asset type	Allocation (%)
Australian Equities	40.38
International Equities	38.91
Australian Property	0.98
International Property	2.93
Australian Fixed Interest	2.19
International Fixed Interest	4.06
Cash	5.55
Commodities	5.00

1960s Lifestage Fund	
Description	Retirement is still in the distance but approaching. It's time to hold a more balanced mix of growth and conservative assets
Investment manager	BT and external managers
Benchmark	A range of indices

Asset allocation as at 30 June 2011

Asset type	Allocation (%)
Australian Equities	35.04
International Equities	33.66
Australian Property	0.98
International Property	2.93
Australian Fixed Interest	4.33
International Fixed Interest	8.04
Cash	10.29
Commodities	4.75

1950s Lifestage Fund	
Description	Retirement is approaching so your asset mix should now lean towards more conservative investments, while still seeking growth
Investment manager	BT and external managers
Benchmark	A range of indices

1940s Lifestage Fund	
Description	You have probably retired. You need a conservative asset mix, but still need to retain a level of growth
Investment manager	BT and external managers
Benchmark	A range of indices

Asset allocation as at 30 June 2011
BT Super for Life – Savings

Asset type	Allocation (%)
Australian Equities	25.46
International Equities	24.24
Australian Property	0.98
International Property	2.93
Australian Fixed Interest	8.26
International Fixed Interest	15.33
Cash	18.50
Commodities	4.30

Asset allocation as at 30 June 2011
BT Super for Life – Savings

Asset type	Allocation (%)
Australian Equities	14.44
International Equities	13.39
Australian Property	0.98
International Property	23.82
Australian Fixed Interest	12.83
International Fixed Interest	23.82
Cash	27.80
Commodities	3.79

Asset allocation as at 30 June 2011
BT Super for Life – Retirement

Asset type	Allocation (%)
Australian Equities	25.67
International Equities	24.44
Australian Property	0.98
International Property	2.94
Australian Fixed Interest	8.22
International Fixed Interest	15.25
Cash	18.18
Commodities	4.31

Asset allocation as at 30 June 2011
BT Super for Life – Retirement

Asset type	Allocation (%)
Australian Equities	14.46
International Equities	13.42
Australian Property	0.98
International Property	2.95
Australian Fixed Interest	12.84
International Fixed Interest	23.84
Cash	27.71
Commodities	3.79

Investment options profiles (cont'd)

Choose your own funds

BT Super for Life – Growth Fund	
Who is this fund for?	For account holders who are comfortable with a very aggressive approach to investing with a higher risk and higher potential return
Investment style	Almost entirely invested in growth assets
Intended outcome	To provide a return (before fees and taxes) that exceeds the fund's benchmark over 5 years or more
Benchmark	BT Classic Investment Funds – BT Split Growth Fund
Investment manager	BT Investment Management

Asset allocation as at 30 June 2011

Asset type	Allocation (%)
Australian Equities	19.17
International Equities	78.95
Australian Property	0.00
International Property	0.00
Australian Fixed Interest	0.00
International Fixed Interest	0.00
Cash	1.88
Commodities	0.00

BT Super for Life – Conservative Fund	
Who is this fund for?	For conservative account holders who want very low levels of risk and to preserve their capital against inflation
Investment style	A mixture of growth and conservative assets, with a significant emphasis on conservative assets
Intended outcome	To provide a real return over inflation over 3 years or more
Benchmark	BT Ethical Conservative
Investment manager	BT Investment Management

Asset allocation as at 30 June 2011

Asset type	Allocation (%)
Australian Equities	24.32
International Equities	0.00
Australian Property	0.00
International Property	0.00
Australian Fixed Interest	48.64
International Fixed Interest	0.00
Cash	27.04
Commodities	0.00

BT Super for Life – Moderate Fund	
Who is this fund for?	For account holders who are comfortable with a reasonably aggressive approach to investing with a moderate high level of risk and potential return
Investment style	A mixture of growth and conservative assets, with a significant emphasis on growth assets
Intended outcome	To provide a return (before fees and taxes) that exceeds the fund's benchmark over 5 years or more.
Benchmark	BTCS Balanced
Investment manager	BT Investment Management

Asset allocation as at 30 June 2011

Asset type	Allocation (%)
Australian Equities	36.57
International Equities	21.05
Australian Property	4.78
International Property	3.03
Australian Fixed Interest	24.51
International Fixed Interest	0.00
Cash	10.06
Commodities	0.00

BT Super for Life – Super Cash	
Who is this fund for?	For conservative account holders who want very low levels of risk and to preserve their capital
Investment style	Invests in cash via a life policy with Westpac Life Insurance Services Limited
Intended outcome	Account holders earn interest on money invested. Interest is calculated daily and credited monthly
Benchmark	n/a

Asset allocation as at 30 June 2011

Asset type	Allocation (%)
Australian Equities	0.00
International Equities	0.00
Australian Property	0.00
International Property	0.00
Australian Fixed Interest	0.00
International Fixed Interest	0.00
Cash	100.00
Commodities	0.00

Investments exceeding 5%

The following Investments have a holding of 5% or more in any one asset at 30 June 2011. Investment Options that do not have holdings exceeding 5% are not shown.

Direct investments

Investment option	Direct asset	%	Indirect asset	%
BT Super for Life – 1940s Lifestage Fund – Retirement	BT Multi-manager Accumulator Fund	20.9	BT Enhanced Sustainable Australian Share Fund	3.37
			Advance Alleron Equity Growth (Wholesale)	2.35
			Advance Australian Equity Growth Fund (Ordinary)	2.14
			BT Wholesale Core Australian Share Fund	1.59
			BT Wholesale Multi-manager International Share Fund	5.93
			BT Institutional International Sustainable Share Fund	2.25
			Westpac International Share Index Trust	1.22
	BT Multi-manager Protector Fund	78.7	BT Wholesale Multi-manager Fixed Interest	37.23
		BT Institutional Enhanced Cash Fund	24.59	
BT Super for Life – 1940s Lifestage Fund – Savings	BT Multi-manager Accumulator Fund	20.6	BT Enhanced Sustainability Australian Share Fund	3.33
			Advance Alleron Equity Growth (Wholesale)	2.32
			Advance Australian Equity Growth Fund (Ordinary)	2.11
			BT Wholesale Core Australian Share Fund	1.57
			BT Wholesale Multi-manager International Share Fund	5.85
			BT Institutional International Sustainable Share Fund	2.22
			Westpac International Share Index Trust	1.20
	BT Multi-manager Protector Fund	78.7	BT Wholesale Multi-manager Fixed Interest	37.22
		BT Institutional Enhanced Cash Fund	24.59	
BT Super for Life – 1950s Lifestage Fund – Retirement	BT Multi-manager Accumulator Fund	48.7	BT Enhanced Sustainability Australian Share Fund	7.87
			Advance Alleron Equity Growth (Wholesale)	5.48
			Advance Australian Equity Growth Fund (Ordinary)	5.00
			BT Wholesale Core Australian Share Fund	3.71
			BT Wholesale Multi-manager International Share Fund	13.83
			BT Institutional International Sustainable Share Fund	5.24
			Westpac International Share Index Trust	2.85
	BT Multi-manager Protector Fund	50.9	BT Wholesale Multi-manager Fixed Interest	24.08
		BT Institutional Enhanced Cash Fund	15.91	
BT Super for Life – 1950s Lifestage Fund – Savings	BT Multi-manager Accumulator Fund	48.9	BT Enhanced Sustainability Australian Share Fund	7.89
			Advance Alleron Equity Growth (Wholesale)	5.50
			Advance Australian Equity Growth Fund (Ordinary)	5.01
			BT Wholesale Core Australian Share Fund	3.72
			BT Wholesale Multi-manager International Share Fund	13.87
			BT Institutional International Sustainable Share Fund	5.25
			Westpac International Share Index Trust	2.85
	BT Multi-manager Protector Fund	50.2	BT Wholesale Multi-manager Fixed Interest	23.74
		BT Institutional Enhanced Cash Fund	15.69	

Investments exceeding 5% (cont'd)

Investment option	Direct asset	%	Indirect asset	%
BT Super for Life — 1960s Lifestage Fund — Savings	BT Multi-manager Accumulator Fund	73.7	BT Enhanced Sustainability Australian Share Fund	11.90
			Advance Alleron Equity Growth (Wholesale)	8.29
			Advance Australian Equity Growth Fund (Ordinary)	7.56
			BT Wholesale Core Australian Share Fund	5.62
			BT Wholesale Multi-manager International Share Fund	20.92
			BT Institutional International Sustainable Share Fund	7.92
	BT Multi-manager Protector Fund	25.3	Westpac International Share Index Trust	4.30
			BT Wholesale Multi-manager Fixed Interest	11.96
BT Super for Life — 1970s Lifestage Fund — Savings	BT Multi-manager Accumulator Fund	86.5	BT Institutional Enhanced Cash Fund	7.90
			BT Enhanced Sustainability Australian Share Fund	13.96
			Advance Alleron Equity Growth (Wholesale)	9.73
			Advance Australian Equity Growth Fund (Ordinary)	8.87
			BT Wholesale Core Australian Share Fund	6.59
			BT Wholesale Multi-manager International Share Fund	24.54
	BT Multi-manager Protector Fund	12.7	BT Institutional International Sustainable Share Fund	9.30
			Westpac International Share Index Trust	5.05
BT Super for Life — 1980s Lifestage Fund — Savings	BT Multi-manager Accumulator Fund	87.1	BT Wholesale Multi-manager Fixed Interest	6.01
			BT Institutional Enhanced Cash Fund	3.97
			BT Enhanced Sustainability Australian Share Fund	14.07
			Advance Alleron Equity Growth (Wholesale)	9.80
			Advance Australian Equity Growth Fund (Ordinary)	8.94
			BT Wholesale Core Australian Share Fund	6.64
	BT Multi-manager Protector Fund	13.8	BT Wholesale Multi-manager International Share Fund	24.72
			BT Institutional International Sustainable Share Fund	9.36
BT Super for Life — 1990s Lifestage Fund — Savings	BT Multi-manager Accumulator Fund	87.3	Westpac International Share Index Trust	5.09
			BT Wholesale Multi-manager Fixed Interest	6.51
			BT Institutional Enhanced Cash Fund	4.30
			BT Enhanced Sustainability Australian Share Fund	14.10
			Advance Alleron Equity Growth (Wholesale)	9.82
			Advance Australian Equity Growth Fund (Ordinary)	8.96
	BT Multi-manager Protector Fund	16.3	BT Wholesale Core Australian Share Fund	6.65
			BT Wholesale Multi-manager International Share Fund	24.77
BT Super for Life — Conservative Fund — Retirement	BT Sustainable Conservative Fund	99.7	BT Institutional International	9.38
			Sustainable Share Fund	
			Westpac International Share Index Trust	5.10
			BT Wholesale Multi-manager Fixed Interest	7.70
			BT Institutional Enhanced Cash Fund	5.09
			BT Institutional Australian Sustainable Share Fund	5.16
			BT Institutional Sustainability Trust	18.48
			BT Institutional Liquidity Management Trust	37.88
			NSW Treasury Corporation	6.85
			QLD Treasury Corporation	8.24

Investment option	Direct asset	%	Indirect asset	%
BT Super for Life – Conservative Fund – Savings	BT Sustainable Conservative Fund	99.5	BT Institutional Australian Sustainable Share Fund	5.16
			BT Institutional Sustainability Trust	18.45
			BT Institutional Liquidity Management Trust	37.81
			NSW Treasury Corporation	6.84
			QLD Treasury Corporation	8.22
BT Super for Life – Growth Fund – Retirement	BT Classic Investment Funds BT Split Growth Fund	99.4	BT Institutional Core Global Share Sector Trust	59.34
			BT Wholesale Core Hedged Global Share Fund	19.32
BT Super for Life – Growth Fund – Savings	BT Classic Investment Funds BT Split Growth Fund	99	BT Institutional Core Global Share Sector Trust	59.12
			BT Wholesale Core Hedged Global Share Fund	19.24
BT Super for Life – Moderate Fund – Retirement	BT Sustainable Balanced Fund	99.6	BT Institutional Australian Sustainable Share Fund	15.42
			BT Institutional Sustainability Trust	21.48
			AMP Wholesale Responsible Investment Leaders International	21.76
			BT Institutional Liquidity Management Trust	14.04
BT Super for Life – Moderate Fund – Savings	BT Sustainable Balanced Fund	99	BT Institutional Australian Sustainable Share Fund	15.33
			BT Institutional Sustainability Trust	21.35
			AMP Wholesale Responsible Investment Leaders International	21.62
BT Super for Life – Super Cash – Savings	Westpac Life Insurance Services Limited	100	n/a	13.95
BT Super for Life – Super Cash – Retirement	Westpac Life Insurance Services Limited	100	n/a	

Fees and other costs of investing in BT Super for Life

The table below shows the significant fees and other costs that you may be charged. 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	How and when paid
Fees when your money moves in and out of BT Super for Life		
Establishment fee The fee to open your account with BT Super for Life	Nil	n/a
Contribution fee The fee on each amount contributed to your investment — either by you or your employer	Nil	n/a
Withdrawal fee The fee on each amount you take out of your BT Super for Life account	Nil	n/a
Termination fee The fee to close your BT Super for Life account	Nil	n/a
Management costs — the fees and costs for managing your investment		
Administration fee The fee to cover the general administration of BT Super for Life	\$5.00 per month	Deducted from your account on the first day of every month
Management fee The fee for managing BT Super for Life's investment options	0% of BT Super for Life — Super Cash 0.99% pa of your account balance on all other investment options	Calculated on the daily asset value and reflected in the unit price daily and generally deducted monthly
Service fees		
Investment switching fee The fee for changing investment options	Nil	n/a

Other fees and charges

Transaction costs and buy/sell spreads

When we buy or sell investments for account holders we incur transaction costs. These transaction costs include stamp duty, brokerage and costs incurred when buying and selling units in underlying investment funds. Part of these costs are met by the buy/sell spread. It is not a fee paid to us but it is an additional cost to you when you add, withdraw or change investment options. You should consider these costs when making any investment decisions such as changing investment options.

Insurance premiums

If you have insurance cover through BT Super for Life, the relevant premium(s) for your insurance will be deducted from your Investment option(s) at the end of each month, or when your cover ceases, via a redemption of units.

Other important information

Complaints resolution

Complaints resolution is a priority for us. If you have any concerns or complaints with the financial products or services we provide, please contact us and we will do our best to resolve it quickly and fairly through our internal dispute resolution process.

As a first step, please contact us by calling BT Contact Centre on 1300 653 553. Alternatively, you can contact us in writing by emailing us at: customer.relations@btsuperforlife.com.au.

We will let you know that we have received your complaint and a Complaints Officer will work with you to try to resolve your complaint within 30 days of receipt.

If you are not satisfied with our response, or have not received a response within 90 days, you can refer your complaint externally by contacting the Superannuation Complaints Tribunal (Tribunal) by calling 1300 884 114 or writing to Locked Bag 3060, GPO Melbourne VIC 3001. The Tribunal is an independent body established by the government to help members of superannuation funds resolve complaints. The Tribunal will attempt to resolve your complaint through conciliation, helping you and the Trustee to reach an agreement. If your dispute cannot be resolved through conciliation, the Tribunal may ask for submissions and make a binding determination.

Eligible Rollover Fund

Currently your benefit may be transferred to an ERF in the following circumstances:

- If you request to transfer your benefit to another fund and that request cannot be processed due to insufficient information or the other fund returns the money to BT Super for Life because they have been unable to process the request
- If circumstances under 'Cooling-off' apply
- In any other circumstances permitted under superannuation law.

The Eligible Rollover Fund (ERF) currently selected for BT Super for Life is:

SuperTrace Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124

If your benefit is transferred to SuperTrace:

- you will cease to be a BT Super for Life account holder and any insurance cover provided will also cease on the date of transfer or at the end of the continuation period that may apply, if later

- you will need to contact the SuperTrace Administrator on 1300 788 750 in order to claim your benefit back or deal with your benefit
- you will not be able to make contributions to the ERF
- you will not have investment choice — the trustee of the ERF will nominate the investment strategy that will apply
- the ERF will normally ensure that your benefits will not be eroded by administration fees and charges, however, other fees may apply. Please refer to the ERF's product disclosure statement for more information.

Superannuation Contributions Surcharge

If you are liable for superannuation contribution surcharge the amount will be deducted from your account.

Derivatives

BT Super for Life does not hold derivative securities.

Indemnity insurance

The Trustee is indemnified by a policy of insurance in respect of its duties as Trustee of the Plan.

Financial information

As permitted under the Corporations Act, audited fund accounts and the auditor's report have not been included with this Annual Report. Copies of complete audited financial statements and the auditor's report will be available after 31 October 2011 from

BT Funds Management Limited
Level 20, 275 Kent Street
Sydney NSW 2000

or by calling the BT Contact Centre on 1300 653 553, Monday to Friday 8.00am to 6.30pm (Sydney time).

Committees

The Board delegated committees are:

- Board Audit, Risk and Compliance Committee
- Board Investment Committee
- Board Benefits Review Committee

Further information

You are welcome to call us at any time if you have any questions regarding this report or require further information about BT Super for Life. Details of how we can be contacted are on the back cover.

Statement of Financial Position¹

	Total
	\$'000
Assets	
Investments	
Cash and cash equivalents	197
Unlisted unit trusts	1,064,493
Life policies	323,251
	1,387,941
Other assets	
Receivables	84,956
Deferred tax assets	7,174
	92,130
Total assets	1,480,071
Liabilities	
Payables	(14,836)
Income tax payable	(17,450)
	(32,286)
Net assets available to pay benefits	1,447,785
Represented by:	
Liability for accrued benefits	1,447,785

¹ This annual report contained abridged financial information for the financial year ended 30 June 2011 in relation to BT Super for Life as a part of Retirement Wrap (Fund). The full accounts are available on request by contacting the BT Contact Centre on 1300 653 553.

Operating statement

	Total
	\$'000
Investment income	
Interest income	(36)
Distributions from unit trusts	59,479
Changes in the net market value of investments	(73,898)
Other investment income	4
	(14,451)
Contributions revenue	
Member's contributions	41,864
Employer contributions	85,018
Transfer from other funds — successor fund transfers	1,250,046
Transfer from other funds	150,927
	1,527,855
Other revenue	
Proceeds from insurance policy	1,897
	1,897
General administration expenses	
Trustee's fees	(2,415)
Other operating expenses	(2,196)
	(4,611)
Benefits accrued as a result of operations before income tax	1,510,690
Income tax expense/(benefit)	10,276
Benefits accrued as a result of operations after income tax	1,500,414

Retirement Wrap

Statement of Financial Position as at 30 June 2011

Statement of Financial Position¹

	Consolidated 30 June 2011 \$'000	Parent 30 June 2011 \$'000
Assets		
Investments		
Cash and cash equivalents	2,865,796	2,752,975
Margin Accounts	1,792	852
Derivatives	11,378	1,331
Term deposits	1,979,155	1,979,155
Equity securities	3,188,642	2,711,830
Fixed interest securities	64,538	–
Unlisted unit trusts	19,766,392	19,767,045
Life insurance policies	323,251	323,251
	28,200,944	27,536,439
Other assets		
Receivables	907,218	897,316
Other assets	44,653	44,653
Deferred tax assets	187,901	184,232
	1,139,772	1,126,201
Total assets	29,340,716	28,662,640
Liabilities		
Distribution payable	27,100	–
Payables	80,111	75,417
Income tax payable	19,097	19,289
Net assets attributable to non controlling interests	646,474	–
Total liabilities	772,782	94,706
Net assets available to pay benefits	28,567,934	28,527,934
Represented by:		
Liability for accrued benefits	28,567,934	28,567,934

¹ This annual report contained abridged financial information for the financial year ended 30 June 2011 in relation to Retirement Wrap (Fund). The full accounts are available on request by contacting the BT Contact Centre on 1300 653 553.

Retirement Wrap

Statement of Financial Position as at 30 June 2011

Operating statement

	Consolidated year ended 30 June 2011 \$'000	Parent year ended 30 June 2011 \$'000
Investment income		
Interest income	190,029	188,687
Dividends	164,208	160,426
Distributions from unit trusts	1,110,408	1,103,349
Changes in the net market value of investments	113,391	132,597
Other investment income	26	6
	1,578,062	1,585,065
Contributions revenue		
Member's contributions	940,003	940,003
Employer contributions	571,665	571,665
Transfers from other funds — successor fund transfers	4,997,698	4,997,698
Transfers from other funds — other	2,877,894	2,877,894
	9,387,260	9,387,260
Other revenue		
Proceeds from insurance policies	11,041	11,041
Other revenue	6,500	6,500
	17,541	17,541
General administration expenses		
Trustee's fees	29,200	29,691
Adviser fees	179,450	179,450
Other expenses	166,075	165,995
	374,725	375,136
Benefits accrued as a result of operations before tax	10,608,138	10,614,730
Income tax expense/(benefit)	39,466	40,731
Benefits accrued as a result of operations after income tax	10,568,672	10,573,999
Benefits accrued as a result of operations after tax attributable to non controlling interests	38,446	-
Distribution to non controlling interests	(33,119)	-
Benefits accrued as a result of operations after tax attributable to parent entity	10,573,999	10,573,999



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Contact BT Super for Life

- Phone 1300 653 553 Monday to Friday
8.00am – 6.30pm (Sydney time)
- Email [customer.relations@
btsuperforlife.com.au](mailto:customer.relations@btsuperforlife.com.au)
- Online www.btsuperforlife.com.au