



12 September 2022

Your product: BT Super for Life
Your member number:

Dear _____,

On 30 August 2022, the Australian Prudential Regulatory Authority (APRA) advised Australian super funds of their annual performance assessment (APA) results. The APA is administered by APRA and applies to MySuper products, which for BT means our Lifestage investment options.

The BT MySuper Lifestage investment options failed the APA for the second consecutive year in 2022. This was mainly due to some periods of underperformance, particularly in the financial years of 2014-2015 and 2021-2022. This meant that the combined performance of our seven Lifestage investment options across the last eight years did not meet the benchmark set by the government.

Your APA notice

As you are invested in a BT MySuper Lifestage investment option, we are required to notify you of our APA result in the enclosed notice via email and post. This notice has been prepared as at 31 August 2022. Please note that the account balance shown in the notice relates to your BT super account, and the fees and costs stated exclude any applicable insurance fees for the period¹.

This APA result does not apply to any other investment options you may have or wish to invest in with us.

What will happen to my BT super account?

After failing the APA for the second consecutive year, we have made several changes to our products. The changes are:

- Our BT Super and BT Super for Life products are now closed to new members.
- Existing members who are only invested in other options on our investment menu cannot change to invest in our MySuper Lifestage investment options.

Existing members currently invested in a MySuper Lifestage investment option can continue to contribute and invest in this option. Please be aware that investing in a product that has failed the APA twice and is closed to new members may give rise to additional risk of increased withdrawals and reduced contributions that could impact future investment performance.

Please read the related Product Update dated 30 August 2022 for more information. It's available at bt.com.au/help > Find information about product updates.

Actions taken by your Trustee

Your super fund's Trustee Board is focused on making the right decisions for the benefit of our members and promoting your best financial interests for the long-term.

With that in mind, in May 2022 we announced that BT Super intends to merge into Mercer Super. Following our announcement, we are pleased to advise that both Trustee Boards have approved the Successor Funds Transfer Deed to merge BT Super into Mercer Super. This means that the merger is on track to be completed in early April 2023. Your super will be transferred into a super fund that has passed the APA.

Being part of a larger super fund like Mercer Super will give you the potential to benefit from:

- **Stronger performance.** Over the longer term, Mercer's default investment strategy has achieved returns above the median for most of its members, spanning 3, 5, 7 years².
- **Lower fees.** Most members will enjoy a fee reduction of around 25% off standard fees, making it one of the most competitive super offers in Australia. This includes the removal of the dollar-based administration fee, reduced percentage-based administration and investment fees, and no buy-sell spreads.
- **More investment choice.** Members will have access to an expanded choice menu for those who want to take control, backed by Mercer's access to a diverse range of investments.
- **Broader member services.** With Mercer, members will continue to have 24/7 digital access to their super account, supported by online calculators and education tools. Australian-based teams will be available to answer their calls and provide limited advice over the phone if they do not have a financial adviser.

Existing insurance arrangements will also be retained, providing peace of mind that there is no disruption to your cover or costs.

Until the merger, your BT super account continues with the arrangements you have in place. Alternatively, you are free to decide at any time to switch to another fund of your choice.

What do I need to do?

Please read the notice enclosed. Your super is an important investment for your future, and you can choose where to invest your retirement savings.

If you're considering changing your super fund, it's important to familiarise yourself with the features of your current super fund including any insurance and benefits you may have. You can also consider contacting your financial adviser (if you have one) for advice. At BT we do not have any entry, withdrawal, commissions, or contribution fees. However, there may be other transaction costs involved in moving your super money, like buy-sell spreads.

As always, you can access your current BT super account details to review your investment options, fees, costs and benefits at any time by signing in through your online banking or bt.com.au/btsuperportal.

Where can I find more information?

For more information about the APA, please refer to the frequently asked questions and answers at bt.com.au/apa. You can also register for the webinar that's being held on 29 September 2022.

We will continue to keep you updated as we transition to Mercer Super through regular communications, online updates at bt.com.au/supermerger and member information sessions. We will also send you all the final details about the transfer in early 2023, before the merger.

If you have any general questions about your super account, please call us on 132 135 Monday to Friday 8.30am – 5.30pm (Sydney time).

Yours sincerely,



Andrew Wallace
Managing Director, Personal and Corporate Superannuation
BT Financial Group

Disclaimer

¹ The fees and costs shown in the notice are for the financial year to 30 June 2022. If the account balance is less than \$6,000 on 30 June or at time of exit, the total combined amount of administration fees, investment fees and indirect costs charged in the financial year is capped at 3% of the account balance. Any fees and costs charged in excess of the capped amount will be refunded after 30 June or on exit.

² SmartPath cohorts that make up 84% of members (born 1964-1968, 1969-1973, 1974-1978) compared to the median of all default funds reported in SuperRatings Fund Crediting Rate Survey 30 June 2022 - Default Options.

This information is current as at 9 September 2022. The information is prepared by BT Funds Management Limited ABN 63 002 916458, AFSL 233724, RSE No. L0001090 (BTFM) who is the issuer of BT Super, BT Super for Life and BT Super for Life - Westpac Group Plan, which are part of Retirement Wrap ABN 39 827 542 991. BTFM is a subsidiary of Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian Credit Licence 233714 (Westpac).

The information provided has been prepared without taking account of your personal objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs.

A Product Disclosure Statement (PDS) (including the Guides) is available for BT Super and can be obtained by calling 132 135 or visiting bt.com.au/btsuper. A Product Disclosure Statement (PDS) and Financial Services Guide (FSG) for BT Super for Life can be obtained by visiting bt.com.au/superforlife or calling 132 135. A PDS or FSG for BT Super for Life - Westpac Group Plan can be obtained by calling 1300 776 417 or signing into your account online. You should consider the PDS before deciding to acquire, continue to hold or dispose of interests in BT Super, BT Super for Life and/or BT Super for Life - Westpac Group Plan. AIA Australia Limited ABN 79 004 837 861, AFSL No. 230043 is the issuer of insurance cover offered through BT Super for Life and BT Super for Life - Westpac Group Plan.

An investment in BT Super, BT Super for Life and/or BT Super for Life - Westpac Group Plan is not an investment in, deposit with any other liability of Westpac Banking Corporation ABN 33 007 457 141 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. Westpac and its related entities do not stand behind or otherwise guarantee the capital value or investment performance of BT Super, BT Super for Life and/or BT Super for Life - Westpac Group Plan. For the Target Market Determination for these products please refer to www.bt.com.au/tmd.

In connection with the transfer of your super to Mercer Superannuation (Australia) Limited (Trustee), your personal information will be disclosed to the Trustee and its service provider Mercer Outsourcing (Australia) Pty Limited (Administrator). The Trustee and the Administrator will hold, use and disclose your personal information for the purpose of managing your super, responding to enquiries and as required by law.

© BT - Part of Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian credit licence 233714.
bt.com.au/privacy

DATE OF NOTICE: 31 August 2022

Hello ,

Your superannuation product BT Super - MySuper has performed poorly under an annual performance test that was introduced by the Australian Government to make sure Australians are getting the most out of their super. As a result, we are required to write to you and suggest that you consider moving your money into a different superannuation product.

You currently have \$xx.xx invested with Retirement Wrap. In the last year you paid \$xx.xx in total fees and costs for your account with Retirement Wrap.

Switching to a different super product is easy, and there are no fees involved.

By switching into a better performing product, you can potentially save thousands of dollars more for retirement. For example, by earning 1% higher net return over a 30-year period, you could be 20% better off at retirement.

Using the Australian Government's YourSuper comparison tool you will be able to compare the fees and returns of all MySuper products. Go to ato.gov.au/yoursuper or the QR code below:



Your questions answered

Why have I received this letter?

The Australian Government has introduced an annual performance test of superannuation products to make sure Australians are getting the most out of their super.

The purpose of this letter is to notify you of the poor performance of your superannuation product and to provide you with information to help you decide whether you want to stay with your current product or choose a better performing product.

Even a small difference in performance can make a big difference at retirement.

What is the annual performance test?

The annual performance test assesses the returns of your product (after your super fund deducts fees) over the last 8 years. The test compares the returns your product delivered with the returns that a comparable product would have delivered over the same period.

Products that fail this test are required to notify their members.

You can find out more about superannuation at moneysmart.gov.au.