



## Significant Event Notice

Changes to investments

BT Super for Life, BT Super for Life – Transition to Retirement, BT Super for Life – Retirement, and BT Super – 1940s, 1950s, 1960s BT Lifestage investment options

Issued 17 October 2022

## What is in this Notice?

This Notice relates to changes that will be made to the way members' super is invested in the BT Super for Life, BT Super for Life – Transition to Retirement, BT Super for Life – Retirement, and BT Super – 1940s, 1950s, and 1960s BT Lifestage investment options – ahead of the move to the Mercer Super Trust.

These changes will start from **17 October 2022**.

It is important that you read about these changes and what they mean for you, and understand what your choices are.

If at any time you require financial advice, please speak with your financial adviser if you have one, or you can find one on the Government's MoneySmart website.

## Background

In May 2022, BT Funds Management (the Trustee) announced its intention to merge BT Super into the Mercer Super Trust, and in August 2022 the Trustee approved the merger.

As part of the merger, it is anticipated that members' super in the 1940s, 1950s, and 1960s BT Lifestage investment options will be transferred to a Mercer SmartPath® investment option.

## What has prompted the changes?

### How members' super is managed at BT

BT's Lifestage investment options follow an 'age-based' investment approach, where younger members are typically invested in a higher percentage of 'growth' assets – like property and shares. As members get closer to, or are in, retirement they are invested in more 'defensive' assets – like cash and fixed interest.

BT conducts regular reviews of how members' super is invested and the investment markets. As a result, regular adjustments are made to the amount allocated to the various growth and defensive assets (known as the 'Strategic Asset Allocation', or SAA) on behalf of members.

### How members' super will be managed with the Mercer Super Trust

The Mercer SmartPath® investment option (into which members are likely to be transferred) has similarities to BT's Lifestage investment option, including an age-based approach when allocating investments across growth and defensive assets.

However, the approaches are not identical. This means the proportion allocated to growth and defensive assets between the BT Lifestage investment option and the Mercer SmartPath® investment option to which members are expected to be transferred, is likely to be different.

### Definition of key terms contained in this Notice

**The Strategic Asset Allocation (SAA)** is the amount allocated to the various growth and defensive assets your super is invested in.

**Asset allocation ranges** are the minimum and maximum allocation allowed for each underlying asset class.

**'Growth' assets** include assets such as shares and property, which are generally considered the most volatile assets – they're likely to experience greater fluctuations in value, but also have the potential to generate higher returns over the longer term.

**'Defensive' assets** include assets such as cash and fixed interest, which are generally considered to have lower levels of risk, and tend to produce lower, more stable returns.

**An investment objective** details the return the investment option aims to provide.

**A risk measure** is a risk band that allows members to compare investment options that are expected to deliver a similar number of negative returns over any 20-year period.

**A 'listed investment'** is registered on recognised stock exchanges and can be regularly (typically daily) bought and sold.

**An 'unlisted investment'** in the case of superannuation, trades less frequently than a listed investment, and cannot be bought or sold on a formal stock exchange.

# What are the changes?

The Trustee has decided to gradually adjust the way members' super is invested in the 1940s, 1950s, and 1960s BT Lifestage investment options between 17 October 2022 and 28 February 2023.

This is so the proportion of investments allocated to growth and defensive assets becomes more closely aligned to the Mercer SmartPath® investment option that members are likely to transfer to.

Implementing these changes gradually will help reduce any potential impact of volatility in investment markets around the date of transfer to the Mercer Super Trust. The Trustee believes that this approach is in the best financial interests of members.

## 1. Changes to the Strategic Asset Allocation (SAA)

The Strategic Asset Allocation is the amount allocated to the various growth and defensive assets in members' super. Between 17 October 2022 and 28 February 2023, the exposure to growth assets in the BT Super for Life, BT Super for Life – Transition to Retirement, BT Super for Life – Retirement, and BT Super – 1940s, 1950s, and 1960s BT Lifestage investment options will incrementally increase and the exposure to defensive assets will incrementally decrease.

Refer to the following table for what these changes to growth and defensive asset allocations will look like for your investment option.

BT Lifestage investment option		Strategic Asset Allocation (SAA)		
		SAA (%) prior to 17 October 2022	SAA (%) from 28 February 2023	Change (%)
1940s	Growth	40	55	↑ 15
	Defensive	60	45	↓ 15
1950s	Growth	47	55	↑ 8
	Defensive	53	45	↓ 8
1960s	Growth	60	76	↑ 16
	Defensive	40	24	↓ 16

## 2. Changes to the Strategic Asset Allocation and asset allocation ranges

The current and proposed Strategic Asset Allocations, and their permitted ranges (the minimum and maximum allocation allowed for each underlying asset class) will be adjusted from 1 December 2022. You can view these changes on the following tables for your BT Lifestage investment option. Figures are rounded to 1 decimal place.

Strategic Asset Allocation (SAA) and asset allocation ranges					
BT Super for Life, BT Super for Life – Transition to Retirement, BT Super for Life – Retirement, BT Super – 1940s BT Lifestage investment option					
Asset	SAA prior to 17 October 2022 (%)	SAA from 28 February 2023 (%)	+/- (%)	Asset allocation range prior to 1 December 2022 (%)	Asset allocation range from 1 December 2022 (%)
Australian shares	18.0	23.5	+5.5	3.0–33.0	8.5–38.5
International shares	18.0	27.5	+9.5	3.0–33.0	12.5–42.5
Property					
– Australian listed	1.0	1.0	Nil	0.0–19.0	0.0–19.0
– International listed	1.0	1.0	Nil		
– International unlisted	2.0	2.0	Nil		
Infrastructure – International unlisted	2.0	2.0	Nil	0.0–17.0	0.0–17.0
Australian fixed interest	15.0	14.0	-1.0	0.0–30.0	0.0–29.0
International fixed interest	31.0	18.0	-13.0	17.0–46.0	3.0–33.0
Cash	12.0	11.0	-1.0	0.0–27.0	0.0–27.0
<b>Sub-total Growth assets</b>	<b>40.0</b>	<b>55.0</b>	<b>+15.0</b>	<b>25.0–50.0</b>	<b>40.0–65.0</b>
<b>Sub-total Defensive assets</b>	<b>60.0</b>	<b>45.0</b>	<b>-15.0</b>	<b>50.0–75.0</b>	<b>35.0–55.0</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>			

Strategic Asset Allocation (SAA) and asset allocation ranges					
BT Super for Life, BT Super for Life – Transition to Retirement, BT Super for Life – Retirement, BT Super – 1950s BT Lifestage investment option					
Asset	SAA prior to 17 October 2022 (%)	SAA from 28 February 2023 (%)	+/- (%)	Asset allocation range prior to 1 December 2022 (%)	Asset allocation range from 1 December 2022 (%)
Australian shares	21.0	23.5	+2.5	6.0–36.0	8.5–38.5
International shares	22.0	27.5	+5.5	7.0–37.0	12.5–42.5
Property					
– Australian listed	1.0	1.0	Nil	0.0–19.0	0.0–19.0
– International listed	1.0	1.0	Nil		
– International unlisted	2.0	2.0	Nil		
Infrastructure – International unlisted	2.0	2.0	Nil	0.0–17.0	0.0–17.0
Australian fixed interest	14.0	14.0	Nil	0.0–29.0	0.0–29.0
International fixed interest	28.0	18.0	-10.0	13.0–43.0	3.0–33.0
Cash	9.0	11.0	+2.0	0.0–24.0	0.0–27.0
<b>Sub-total Growth assets</b>	<b>47.0</b>	<b>55.0</b>	<b>+8.0</b>	<b>32.0–52.0</b>	<b>40.0–65.0</b>
<b>Sub-total Defensive assets</b>	<b>53.0</b>	<b>45.0</b>	<b>-8.0</b>	<b>48.0–68.0</b>	<b>35.0–55.0</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>			

Strategic Asset Allocation (SAA) and asset allocation ranges					
BT Super for Life and BT Super – 1960s BT Lifestage investment option					
Asset	SAA prior to 17 October 2022 (%)	SAA from 28 February 2023 (%)	+/- (%)	Asset allocation range prior to 1 December 2022 (%)	Asset allocation range from 1 December 2022 (%)
Australian shares	24.0	29.5	+5.5	9.0–39.0	14.5–44.5
International shares	31.0	40.0	+9.0	13.0–43.0	25.0–55.0
Property					
– Australian listed	1.0	1.5	+0.5		
– Australian unlisted	1.0	1.0	Nil		
– International listed	1.0	2.0	+1.0	0.0–20.0	0.0–20.0
– International unlisted	2.0	2.0	Nil		
Infrastructure – International unlisted	3.0	3.0	Nil	0.0–18.0	0.0–18.0
Australian fixed interest	12.0	5.5	-6.5	0.0–27.0	0.0–20.5
International fixed interest	19.0	9.5	-9.5	0.0–29.0	0.0–24.5
Cash	6.0	6.0	Nil	0.0–21.0	0.0–21.0
<b>Sub-total Growth assets</b>	<b>60.0</b>	<b>76.0</b>	<b>+16.0</b>	<b>46.0–71.0</b>	<b>61.0–86.0</b>
<b>Sub-total Defensive assets</b>	<b>40.0</b>	<b>24.0</b>	<b>-16.0</b>	<b>29.0–54.0</b>	<b>9.0–34.0</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>			

### 3. Changes to the investment objectives

The investment objective is the performance return your investment option aims to provide. The following table sets out the adjusted investment objectives of the 1940s, 1950s, and 1960s BT Lifestage investment options from 1 December 2022.

CPI + investment objective (p.a.) (%)			
BT Super for Life and BT Super – BT Lifestage investment option	Prior to 1 December 2022	From 1 December 2022	Change
1940s	CPI + 1.70%	CPI + 2.20%	+0.50%
1950s	CPI + 2.00%	CPI + 2.20%	+0.20%
1960s	CPI + 2.40%	CPI + 3.00%	+0.60%

  

CPI + investment objective (p.a.) (%)			
BT Super for Life – Transition to Retirement, BT Super for Life – Retirement – BT Lifestage investment option	Prior to 1 December 2022	From 1 December 2022	Change
1940s	CPI + 2.10%	CPI + 2.60%	+0.50%
1950s	CPI + 2.30%	CPI + 2.60%	+0.30%
1960s	CPI + 2.80%	CPI + 3.30%	+0.50%

### 4. Updates to the Standard Risk Measure

The Standard Risk Measure (SRM) is a risk band that allows members to compare investment options that are expected to deliver a similar number of negative returns over any 20-year period.

The following table reflects the SRM for the BT Super for Life, BT Super for Life – Transition to Retirement, BT Super for Life – Retirement, and BT Super – 1940s, 1950s, and 1960s BT Lifestage investment options from 1 December 2022.

You can read about Standard Risk Measures at [bt.com.au/srm](http://bt.com.au/srm).

BT Lifestage investment option	Standard Risk Measure		
	Prior to 1 December 2022	From 1 December 2022	Change
1940s	5	6	+1
1950s	6	6	Nil
1960s	6	6	Nil

### What do you need to do?

You should be aware that the changes impact the objectives and risk of the investment option you are currently invested in. It is important you read and understand the changes outlined in this Significant Event Notice – Changes to investments – October 2022 – BT Super for Life and BT Super – 1940s, 1950s, 1960s BT Lifestage investment options.

### Your options

- You can stay invested in the age-based Lifestage investment option through to your transfer to the Mercer Super Trust on, or around, 1 April 2023.
- You can adjust your investments with BT to suit your preferences at any time by selecting from the investment menu when you sign in to your account online at [bt.com.au/login](http://bt.com.au/login).
- The Australian Government's YourSuper comparison tool at [ato.gov.au/yoursuper](http://ato.gov.au/yoursuper) can help you compare all MySuper funds.
- You can visit [bt.com.au/investment-changes](http://bt.com.au/investment-changes) for Frequently Asked Questions and Answers.

If you change investment options with BT, there will typically be a fee to cover the transaction costs (called a buy-sell spread!), which should be considered prior to making investment decisions. You can read more about buy-sell spreads in your Product Disclosure Statement found online at [bt.com.au](http://bt.com.au).

If you don't take any action, you will remain invested in the BT Super for Life, BT Super for Life – Transition to Retirement, BT Super for Life – Retirement, or BT Super – 1940s, 1950s, or 1960s BT Lifestage investment option and the changes will happen automatically.

### [Need advice?](#)

Please contact your financial adviser if you have one. If you don't have an adviser, you can find one at the Australian Government's MoneySmart website.

### [Contact us](#)

If you would like to discuss the changes, or any of the details in this Significant Event Notice – Changes to investments – October 2022 – BT Super for Life and BT Super – 1940s, 1950s, 1960s BT Lifestage investment options and what they mean for you, please contact us on 132 135 from 8:30am to 5:30pm (Sydney time) Monday to Friday.

## For more information

[bt.com.au](https://bt.com.au)

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### Important information

1. The buy-sell spread is a fee that is used to cover the transaction costs arising from applications and redemptions made by members into and out of an investment option. It is not paid to the investment manager, instead it is retained by the investment option and used to offset the costs of transactions. It is charged in the form of a buy-sell spread and is reflected in the unit price when you invest in a given investment option. You should consider these costs when making any investment decisions such as changing investment options and when making contributions. We may vary the buy-sell spread for any investment option from time to time. Notice will not ordinarily be provided. Updated information on buy-sell spreads is available on our website at [bt.com.au](https://bt.com.au).

Current as at 17 October 2022.

The information is prepared by BT Funds Management Limited ABN 63 002 916 458 (BTFM) the Trustee of BT Super, BT Super for Life, BT Super for Life – Transition to Retirement, BT Super for Life – Retirement, and BT Super for Life – Westpac Group, part of the superannuation fund Retirement Wrap ABN 39 827 542 991.

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