

# BT Super for Life – Conservative Fund – Savings

## Fact sheet

December 2009



## Fund overview

Product name	BT Super for Life – Conservative Fund – Savings
APIR	BTA0294AU
Inception date	October 2007
Fund status	Open
Fund size	\$26.38 million
ICR (Management fee)	0.99% as at 31/12/2009
Asset class	Diversified
Recommended investment timeframe	3 years+
Risk category	Low

## Fund management

The funds are managed by BT's investment management team and by a number of external managers with complementary capabilities.

Where BT appoints other investment managers, our team of investment specialists provide ongoing monitoring and review of the appointed investment manager.

## Who is this fund for?

For conservative account holders who want low levels of risk and some growth to protect 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.

## Investment performance

Performance (%) (as at 31/12/2009)	1 month	3 months	6 months	1 year (pa)	Since Inception
Total return	0.95	1.44	7.29	8.81	1.80
Benchmark return	0.81	1.66	8.01	10.01	3.41

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

To provide a longer term view of performance in this type of fund, we have shown returns for the BT Sustainable Conservative Fund which has similar investments. The BT Super for Life – Conservative Fund will be managed in a similar way.

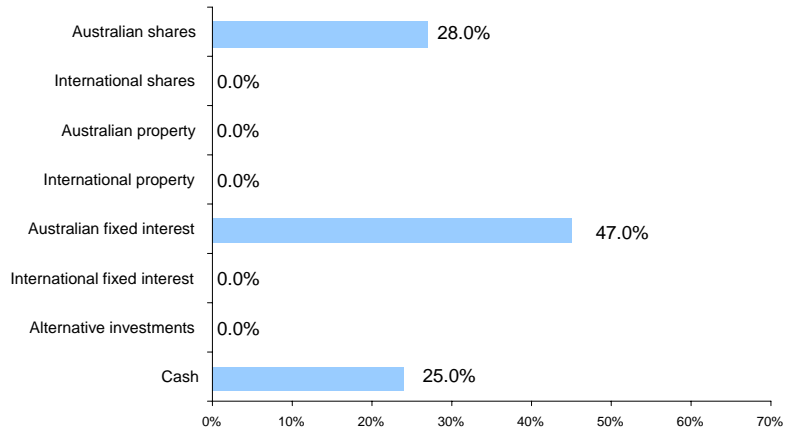
Performance (%) (as at 31/12/2009)	1 year (pa)	3 years (pa)	5 years (pa)	Since Start (pa)	Start date
Fund Returns*	13.03	-8.60	1.15	11.06	Sep 1989

\*Post fee, pre-tax

## Asset allocation

Target asset allocation	Target	Range
Australian shares	25	5-35
International shares	0	0-18
Australian property	0	0-10
International property	0	0-10
Australian fixed interest	50	20-70
International fixed interest	0	5-35
Alternative investments	0	0-20
Cash and other	25	0-40

### By Sector allocation (as at 31/12/2009)



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

## Fund commentary

### Market review

The Australian economy continued to avoid the worst excesses of the global recession with unemployment in October 5.8% declining to 5.7% by December and inflation showing little sign of pushing through the RBA's comfort zone. Though December brought a reminder that Australia didn't get away completely unscathed by the GFC as 3Q GDP came in at +0.2% – about half what was expected.

The Reserve Bank of Australia raised rates in October by 25 basis points – becoming the first central bank to do so – and taking the base rate to 3.25%. This was followed by two other 25 basis points hikes with indications that more may follow. Meanwhile, on the back of the increase in the base rate and a brightening economic climate the Australian dollar continued its good run against the US dollar and ended the quarter at just under 0.90c.

The Australian equity market gained 3.4% over the December quarter and saw out 2009 at its high for the year. After going backwards in October – the market's first decline after registering seven consecutive monthly gains – stocks gathered strength over November and December.

### Performance

Both Australian equities and fixed interest were positive over the quarter. In equities, gains were driven by a strong performance by the Materials sector (+13.7%) and Resources (+9.8%) on the back of renewed confirmation of the robustness of the China recovery. The portfolio also outperformed the benchmark over the December quarter. Our Australian equities portfolios outperformed with the main contributor to returns being our overweight to Rio which benefited from strong commodity prices and a rising Australian dollar.

The Reserve Bank raised rates by 0.75% over the quarter to bring the cash rate to 3.75%. Meanwhile, Australian 3-year bonds declined from 4.83% to 4.66% while 10-year bonds rose from 5.36% to 5.64%.

### Strategy & outlook

Our overarching view remains that the market continues to be in a consolidation phase driven primarily by lack of clarity with regards to the success of the developed economies in weaning themselves off government stimulus. The signals on the strength of the private sector have continued to be mixed during the month of December. US manufacturing continues to rebound on restocking but the consumer continues to face some headwinds and is not yet in a position

to provide a backstop to move the economies sustainably higher. On the other hand the developing nations driven primarily by China have continued to exhibit very sound economic growth fundamentals which has been a key reason why the commodity spectrum has been well supported.

As companies now rule off their first half results, there will be some clearer instances where the market has gotten ahead of itself in terms of a rebound in earnings. We remain cautious on those names where we feel that there may be some disappointment in first half earnings. However this scenario may also present some attractive entry opportunities, including in the engineering and contracting space.

In Australian Fixed Interest, the supply of global and domestic bonds remain a concern and we are of the opinion that yields will continue to rise.

## Other features

### Responsible and ethical investment

BT Financial Group is a signatory to the UN Principles for Responsible Investment (PRI). These Principles are about maintaining long-term growth without causing environmental or social damage. Investing with BT Super for Life can help you reconcile your social and environmental concerns with your financial goals.

Specifically, the Australian share component of BT Super for Life – Conservative Fund is invested ethically. You can find out more information about PRI and ethical investing in the PDS.



### More information?

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

BT Funds Management Limited ABN 63 002 916 458, AFSL No. 233724, RSE No. L0001090 is Trustee of BT Super for Life (Fund) ABN 53 398 474 034, RSE No. R1071221

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

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

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