BT Investment Solutions

1970's Lifestage Fund – A

Quarterly report – 31 March 2021

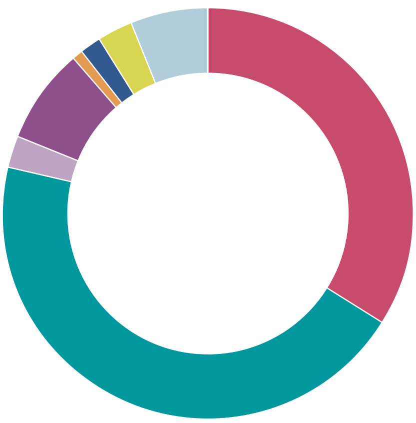
Fund overview

Inception date	1 October 2013
APIR code	BTA0455AU
Fund size (AUD millions)	$7,586.82
Investment objective[1]	To provide returns (after fees) equivalent to CPI plus 4.2% pa over a 10 year period.
Recommended investment timeframe	6 years
Distribution frequency	Quarterly
Management costs (%) pa[2]	0.51
Buy/sell spread (%)	0.16/0.16

Performance review[3]

Period ending 31 March 2021	1 months	3 months	1 year	3 years	5 years	Since inception
	%	%	%	% pa	% pa	% pa
Total Net return	3.17	5.09	32.16	9.40	9.77	8.34
Growth return	1.92	3.82	21.19	0.59	1.70	1.40
Distribution return	1.25	1.27	10.97	8.80	8.07	6.94

Actual asset allocation[4]



- Equity – Australian Listed – **34.00%**
- Equity – International Listed – **44.73%**
- Property – Australian Listed – **2.49%**
- Property – International Listed – **7.62%**
- Infrastructure – Unlisted – **0.72%**
- Commodities – International Listed – **0.00%**
- Other – Growth and Defensive Alternatives – **1.63%**
- Fixed Income – Australian – **0.02%**
- Fixed Income– International – **2.75%**
- Cash – **6.04%**

Please refer to the end of this report for the footnotes

Fund update

The 1970's Lifestage Funds produced a positive return over the March quarter, resulting in positive 12 month performance.

The March quarter started with a buoyant risk sentiment until the market started seeing inflationary pressure. Higher growth and inflation expectations and the fear of future tapering drove up bond yields sharply in February and triggered significant cyclical rotations in equity markets. The rally of reflationary stocks was further boosted by the announcement of the $1.9tn COVID-19 relief bill from the Biden administration, including direct payments to citizens, supports for state and local governments and small businesses. This is due to be followed by another stimulus package proposal worth over $2.3 trillion spending for infrastructure, manufacturing, affordable housing, health care, and green energy investments.

The domestic equity market, as represented by the S&P/ASX 300 Accumulation Index, returned 4.2%, Global developed equities, as measured by the MSCI World ex Australia Net Return AUD Hedged Index, returned 6.2% over the quarter. Unhedged International equities, as measured by the MSCI World ex Australia Net Return AUD Hedged Index returned 6.3% with the AUDUSD stabilising to circa 76cents. Emerging markets in AUD terms returned 3.6%, as measured by the MSCI Emerging Markets AUD Index.

The performance of domestic and international listed property sectors diverged over the quarter due to different speed in lifting Covid restrictions. The domestic listed property sector corrected some large gains from the December quarter and ended the March quarter with -0.6% return, as measured by the S&P/ASX 300 A-REIT Index. The global listed property sector returned 7.3% as measured by the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index.

Domestic yields, as measured by the Australian 10 year government bond yield rose 82bps to 1.79% over the quarter, and similarly the US 10 year treasury yields rose 83bps to 1.74%. As a result, Australian fixed interest, as measured by the Bloomberg Ausbond Composite 0+ Yr Index, returned -3.2%. International fixed interest markets, as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged index returned -2.5%. Credit spreads were mostly stable over the quarter.

Over the quarter funds with higher allocations to growth assets outperformed those with a higher allocation to defensive assets, due to equity markets outperforming fixed interest assets.

Please refer to the end of this report for the footnotes

Asset allocation ranges

Asset class	Investment managers	SAA ranges %
Equity – Australian Listed	BlackRock; FIL Limited; Nikko AM; Pendal; Platypus; Realindex; Solaris; Vinva	19 – 49
Equity – International Listed	Ardevora; BlackRock; Hermes; Pendal; Realindex; River & Mercantile; T.Rowe Price; Wellington	27 – 57
Property – Australian and International Listed	BlackRock; Heitman; Pendal; Principal	0 – 23
Infrastructure – Unlisted	First Sentier Investors	0 – 17
Fixed Income – Australian	AMP; Janus Henderson; Pendal	0 – 16
Fixed Income – International	Mellon; TCW; TwentyFour; Kapstream; PIMCO; Wellington; Western Asset	0 – 16
Other – Defensive and Growth Alternatives	Angelo, Gordon & Co.; BlackRock; PIMCO; Wellington; L.P; ICG; RV Capital	0 – 7
Commodities – International Listed	Janus Henderson	0 – 21
Cash	BlackRock; Pendal	0 – 18

Footnotes

1 CPI Inflation: The Australian 'Consumer price index – All groups' measured on a non-seasonally adjusted basis is the total or 'headline' consumer price index. Percentage changes are calculated from the indices published in ABS Cat No 6401.0.

2 This includes effect of GST (net of RITC) and an estimate of performance fees paid for the 12 months ended 30 June 2019 of 0.01%. Refer to the online disclosures for information on other Indirect Costs.

3 Past performance is not a reliable indicator of future performance. Performance returns are calculated net of management fees and costs.

4 Allocations may not equal 100% due to rounding.

For more information

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