

## Important changes to AssetLink Investment Wrap ('Wrap')

This notification dated 19 May 2014 provides information on changes that will be made to Wrap and the Investor Short Guide ('Guide'). The updated Guide, effective 1 July 2014, will be available online from this date.

Please note that the way in which fees and costs are presented in the current Guide will also be updated to reflect new legislative requirements.

Please review all changes carefully as these may affect your Wrap account, if you have any questions, call us or discuss them with your financial adviser.

To obtain a free copy of the updated Guide from 1 July 2014, visit [investorwrap.com.au](http://investorwrap.com.au) >> Support >> Offer Documents or call Wrap Customer Relations on 1300 657 010.

### 1. Portfolio Service facility

From 1 July 2014, a new Portfolio Service facility will be introduced to help keep your portfolio aligned to your investment strategy. It allows your adviser and/or the distributor defined in the Guide to perform transactions to rebalance your investments as per the investment strategy you agreed with your adviser. This facility enables all or part of your Wrap account to remain tailored to your investment needs.

The fees and costs applicable to the Portfolio Service facility are described in the following section.

### 2. Changes to rebates, fees and costs

#### Portfolio facility fee and other fees

If you have agreed with your adviser to use the Portfolio Service facility, you will be charged a Portfolio facility fee of \$242.50 per annum, deducted monthly as part of your Account keeping fee<sup>1</sup>. Transaction fees will be waived on managed fund transactions placed through the facility and reduced minimum brokerage of \$19.95 will apply to listed security transactions placed through the Portfolio Service facility.

#### Wrap Advantage fee rebate

If you are invested in any of the managed funds in the Advantage Investment Series (the 'Funds'), from 1 July 2014, the Wrap Advantage fee rebate you receive will be calculated based on the Funds you are invested in as at 30 June 2014 (as long as you continue to hold an interest in the relevant Funds), including any additional investments into those applicable Funds.

The Wrap Advantage fee rebate will not apply to new investments into Funds in which you did not have holdings as at 30 June 2014.

#### Expense recovery

The Administrator has discretion in deciding whether to pass on to investors all or a portion of the actual expenses properly incurred in each financial year by the Administrator in operating your fund. The Administrator intends to exercise its right to recover expenses in respect of your Wrap account. These expenses include complying with legislative standards and those in relation to the significant program of work undertaken to ensure Wrap is compliant with recent regulatory reforms such as the Future of Financial Advice ('FOFA').

Any recovery is payable to the Administrator and will not be passed on to the Distributor of your product, your adviser, or your adviser's dealer group. These expense recoveries will be deducted from your Cash Account at the time they are applied. They are estimated to be approximately \$80 per annum per account. The exact amount deducted from your account will be confirmed in your Annual Statement.

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<sup>1</sup> If you exit this facility you will continue to be charged the balance of the fee until the end of the 12 month period.

## **Cash Account disclosure**

We are updating the disclosure to better reflect the current monitoring process in respect of the rate paid on your Cash Account, which ensures that the rate of interest declared by the Administrator will not be lower than the average of the four major Australian banks for comparable cash transaction accounts (if available) with balances of \$10,000<sup>2</sup>. Further, we are also updating the disclosure in respect of your Cash Account to reflect that your Cash Account is not a separate bank account and is part of your investment in Wrap. Your cash may be pooled and deposited in one or more underlying bank accounts, maintained by the Administrator at Westpac, which may include term deposits, breakable only at Westpac's discretion.

## **Discretionary fee waivers and reductions**

Any discretionary waiver or reduction of fees and costs will cease to apply with 30 days' notice, or without notice, should you cease to be advised by your adviser or their dealer group. If so, these fees and costs will revert to the standard level.

## **3. Other important information**

### **Implications if you no longer have an adviser**

Wrap is designed to be used by you together with your adviser. For that reason, you will need to have a relationship with the distributor or an authorised adviser to optimise account features and fee structures. If your relationship with your adviser or the distributor ends, and you choose not to appoint a substitute adviser within 30 days, you must notify us by completing the Advice Relationship Opt-out Form. This will assist in managing your account. In some cases, your adviser or the distributor may notify us that they no longer provide advice or other related services to you.

At least 30 days after we either process the Advice Relationship Opt-out Form, or alternatively, notify you that the relevant relationship has ended, the following changes will be made to your account:

- ▶ You will have the ability to place transactions online via [investorwrap.com.au](http://investorwrap.com.au)
- ▶ You will be able to manage your account directly
- ▶ The name and branding of your account may change (including on any communications which you will receive from us directly). However, other account details will remain the same
- ▶ Your fees will change (and may increase) to the fees and costs set out in the disclosure document for a relevant self-directed Wrap product, which we will provide to you
- ▶ The Portfolio Service facility will no longer be available to you.

To request a policy document, free of charge, that outlines what will happen to investors who no longer have an authorised adviser or a relationship with the Distributor, please call Wrap Customer Relations on 1300 657 010. We may amend this policy from time to time.

The updated information will be incorporated into the updated Guide, a copy of which can be obtained by visiting [investorwrap.com.au](http://investorwrap.com.au) >> Support >> Offer Documents from 1 July 2014.

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2\_You can contact your adviser, or Wrap Customer Relations on 1300 657 010 to confirm the current interest rate declared by the Administrator.

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Information is current as at May 2014. BT Portfolio Services Ltd (ABN 73 095 055 208, AFSL 233715) ('Administrator') operates and administers Wrap. An Investor Short Guide (Guide) is available for Wrap and can be obtained from your financial adviser. You should obtain and carefully consider the Guide and other related disclosure documents before deciding whether to acquire, continue to hold or dispose of interests in Wrap. The information in this notice regarding legislative changes is intended as a guide only, it is not exhaustive and does not constitute legal advice. It is based on our interpretation of the law currently in force on the date of this notification. Consequently, it should not be relied upon as a complete statement of all relevant laws, the application of which may vary, depending on your particular circumstances. The information in this notice also does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of the information having regard to these factors and, where appropriate, consult your adviser or obtain other independent professional advice before acting on this information. The Administrator is a subsidiary of Westpac Banking Corporation ABN 33 007 457 141 (Westpac). Apart from any interest investors may have in underlying bank accounts held at Westpac through a Wrap Cash Account or Westpac securities acquired through Wrap, an investment in, or acquired using, Wrap is not an investment in, deposit with or any other liability of Westpac or any other company in the Westpac Group. These investments are 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 any investments in, or acquired through, Wrap.