

## Important changes to Wrap Essentials

This notification dated 19 May 2014 provides information on changes that will be made to Wrap Essentials and the Investor Short Guide ('Guide').

Wrap Essentials will not be available to new investors after 30 May 2014.

As you are an existing investor, the closure will not impact your Wrap Essentials account. You will continue to have access to all features, functionality and investments.

Any material changes to your account after 30 May 2014 will be communicated to you online, via your adviser, by email or by mail.

Please review all changes carefully as these may affect your Wrap Essentials account, if you have any questions, call Wrap Customer Relations on 1300 657 010 or discuss them with your financial adviser.

### 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 Essentials account to remain tailored to your investment needs.

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

#### 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 Essentials account. These expenses include complying with legislative standards and those in relation to the significant program of work undertaken to ensure Wrap Essentials 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 \$10 per annum per account. The exact amount deducted from your account will be confirmed in your Annual Statement.

#### Cash Account disclosure

The current Cash Account fee disclosure is amended 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>1</sup>. Further, the disclosure in respect of your Cash Account is also amended to reflect that your Cash Account is not a separate bank account and is part of your investment in Wrap Essentials. 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.

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<sup>1</sup> You can contact your adviser or Wrap Customer Relations on 1300 657 010 to confirm the current interest rate declared by the Administrator.

### 3. Other important information

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

Wrap Essentials 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

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.

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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 Essentials. An Investor Short Guide (Guide) is available for Wrap Essentials 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 Essentials. 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 Essentials Cash Account or Westpac securities acquired through Wrap Essentials, an investment in, or acquired using, Wrap Essentials 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 Essentials.

## → Investment Wrap Essentials Supplementary Wrap Investor Guide

**This Supplementary Wrap Essentials Investor Guide is dated 12 November 2012 and supplements each Wrap Essentials Investor Guide<sup>1</sup> and Supplementary Wrap Essentials Investor Guide (together, Wrap Essentials Investor Guide) issued by BT Portfolio Services Ltd ABN 73 095 055 208 AFSL No. 233715 (BTPS) between 15 November 2010 and 12 November 2012.**

**This Supplementary Wrap Essentials Investor Guide is issued by BTPS and must be read together with the Wrap Essentials Investor Guide.**

**To the extent of any inconsistency, the information in this Supplementary Wrap Essentials Investor Guide prevails over any information dealing with the same subject matter in the Wrap Essentials Investor Guide and the Investor Registration Form for Investment Wrap Essentials.**

This Supplementary Wrap Essentials Investor Guide provides important information affecting new and existing investors in relation to:

- 1\_The introduction of the Capital Protection feature
- 2\_Changes to the Terms and Conditions
- 3\_Updated fees and other costs.

The information contained in this Supplementary Wrap Essentials Investor Guide has been prepared without taking account of your 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.

<sup>1</sup> Each Wrap Essentials Investor Guide is made up of two parts: Part I – the Investor Short Guide and Part II – Additional Information and Terms.

## 1\_Capital Protection

The following information relates to the Capital Protection feature and the BT Capital Protection Fund issued by BT Funds Management Limited ABN 63 002 916 458, AFSL 233724 and should be read by those investors or prospective investors considering utilising the Capital Protection feature. **The Capital Protection feature will be available on Wrap Essentials following the issue of the BT Capital Protection Fund Product Disclosure Statement (PDS).**

Through Wrap Essentials, you can obtain Capital Protection in relation to eligible managed funds by investing in the BT Capital Protection Fund. The Capital Protection feature aims to protect the value of your investments in eligible managed funds for a term, while still allowing you to benefit from growth when your chosen funds perform well. Capital Protection is applied to your selected investment for a term of your choice between approximately 5 and 10 years. It is designed to enable you to obtain, at the end of the chosen term, an amount of your investment that is at least equal to the amount you invested at the time you commenced the protection (assuming you reinvest all distributions and do not make any withdrawals). This value is referred to as your 'Minimum Outcome'.

For a full list of the eligible managed funds that you can access with Capital Protection, speak to your adviser or refer to [investorwrap.com.au](http://investorwrap.com.au).

### How to apply for Capital Protection

You should read the BT Capital Protection Fund PDS. Your adviser can place your instructions to apply for Capital Protection to the Administrator online. By obtaining Capital Protection, you provide the Administrator with an irrevocable standing instruction to deal with your interests in the relevant eligible managed fund and your units in the BT Capital Protection Fund in accordance with the terms of the BT Capital Protection Fund (as set out in the BT Capital Protection Fund PDS and constitution). You can choose to apply Capital Protection to an eligible managed fund you already hold in your Wrap Essentials account (if all units in that fund are settled). Alternatively, you can apply for Capital Protection and purchase units in the relevant eligible managed fund at the same time. You must protect all of your holdings in that fund, meaning you cannot elect to protect only a portion of your investment in any one managed fund. You will also need to decide on the protection term for your investment (approximately 5-10 years).

Once you obtain Capital Protection your investment will be made up of your holding in your chosen eligible managed fund and any corresponding units in the BT Capital Protection Fund. The combination of these interests is referred to as a 'Protection Portfolio'. You will also hold a 'Protection Interest', which is a non-united interest in the BT Capital Protection Fund.

### Transacting in managed funds that form part of a Protection Portfolio

When your holdings in a particular managed fund are subject to Capital Protection, you can only make transaction requests or provide instructions to invest in or withdraw from your Protection Portfolio.

You will not be able to provide instructions that determine the proportion in which your Protection Portfolio is divided between your chosen managed fund and the BT Capital Protection Fund.

### How to invest in and withdraw from a Protection Portfolio

If the Administrator receives a completed and valid transaction instruction in relation to a Protection Portfolio (for either application or withdrawal) before 6.00pm (Sydney time) on any business day, your instruction will generally be placed with the fund manager on the next business day. In some cases, to minimise risk, applications might be submitted to the fund manager as smaller transactions over approximately 3-7 business days (depending on settlement timeframes). If this occurs, the investment switching fee will be applied as though only one transaction was submitted.

You (through your adviser) may place instructions to withdraw a part of your investment in a Protection Portfolio. However, instructions will not be processed if you seek to withdraw 95% or more, but less than 100%, of the total value of your holding in the Protection Portfolio.

If you (through your adviser) place more than one instruction in relation to the same Protection Portfolio (including automatic instructions as part of a regular investment plan or a nominated drawdown strategy), the Administrator will process those instructions in the order that it receives them. Generally, a later instruction will not be processed until the trade required to implement the earlier instruction has been settled.

### **Rebalancing during the protection term**

From time to time during your protection term, your Protection Portfolio will be rebalanced between your chosen managed fund and the BT Capital Protection Fund. This rebalancing is intended to manage the risk of your investment. It is a condition of obtaining Capital Protection that you provide a standing instruction to the Administrator to perform any transactions in relation to your Protection Portfolio, at the times and in the quantities determined in accordance with the terms of the BT Capital Protection Fund PDS and constitution.

By obtaining Capital Protection, you authorise and instruct the Administrator to acquire or dispose of your interests in the eligible managed funds and units in the BT Capital Protection Fund as required to maintain the Capital Protection, in accordance with the terms of the BT Capital Protection Fund PDS and constitution.

### **Disclosure documents**

Before you make any decision in relation to the BT Capital Protection Fund and Capital Protection, you must obtain the relevant product disclosure statement or other disclosure document(s) for your chosen managed fund and the BT Capital Protection Fund. These documents contain more detail in relation to these funds, how they operate, what your rights are and the risks of investing in those funds. You have a right to receive the latest of these documents free of charge and on request from your adviser.

### **Switching managed funds within a Protection Portfolio**

Generally, you will not be able to switch between managed funds to which Capital Protection applies without cancelling and restarting Capital Protection. By cancelling and restarting, your new Minimum Outcome may be lower than your previous Minimum Outcome if the available balance of your Protection Portfolio is less than your Minimum Outcome at the time of cancellation.

In certain circumstances the Administrator may offer an opportunity to switch managed funds while continuing your Capital Protection (without affecting your Minimum Outcome and protection term). This may occur, for example, if your chosen managed fund ceases to be eligible for Capital Protection, or the underlying fund manager of your chosen managed fund decides to terminate that fund. In these circumstances, your entire holding in your existing managed fund will be redeemed and invested into the BT Capital Protection Fund. A certain amount will then be redeemed out of the BT Capital Protection Fund and invested into your new chosen managed fund. The Administrator will notify your adviser of the options available to you in these circumstances.

### **How distributions are treated with Capital Protection**

When applying for Capital Protection, you can nominate how you would like your distributions from the managed fund that is subject to Capital Protection to be dealt with. For example, you may elect to reinvest those distributions. The Administrator will apply the distribution option last nominated for a fund prior to the date the distribution is paid by that fund. Where a fund forms part of a Protection Portfolio and you have not nominated a distribution option, your distributions will be reinvested so that the Minimum Outcome for your Capital Protection is not reduced. If you choose to receive cash distributions, each distribution will reduce your Minimum Outcome. Please refer to the BT Capital Protection Fund PDS for further information.

### **Drawdowns**

If a managed fund is subject to Capital Protection, the value of the Protection Portfolio containing that managed fund will be used for drawdown calculations.

Where drawdowns are initiated in relation to a Protection Portfolio, you authorise and instruct the Administrator to sell your investments in your Protection Portfolio (ie your investments in your chosen managed fund and/or your units in the BT Capital Protection Fund) in the proportion determined in accordance with the terms of the BT Capital Protection Fund PDS and constitution.

In addition to other payments, the drawdown facility may be used to cover Capital Protection fees and costs where there are not sufficient cleared funds in your Cash Account. In these circumstances, a separate drawdown may be initiated in advance of the payment date and based on an estimate of the Capital Protection fees and costs payable for the relevant period. If the proceeds from the drawdown exceed the amount of fees and costs payable, the excess will remain in your Cash Account. If the proceeds from the drawdown are not sufficient to meet the amount of fees and costs payable, a further drawdown may be required. This is to reduce the likelihood of protection being cancelled due to insufficient cleared funds in your Cash Account.

### **Regular investment plans**

If your regular investment plan relates to a managed fund that is subject to Capital Protection, your instructions to the Administrator as part of the regular investment plan will be to invest money from your Cash Account in either or both of your chosen managed fund and the BT Capital Protection Fund, in the proportion determined in accordance with the terms of the BT Capital Protection Fund PDS and constitution.

### **Preferred Portfolios**

Managed funds that are subject to Capital Protection cannot be included in your Preferred Portfolio.

### **Cancelling your Capital Protection**

Your adviser can place your instructions to cancel your Capital Protection to the Administrator online. You can cancel your Capital Protection in relation to a particular managed fund by withdrawing all of your corresponding interests in the BT Capital Protection Fund, without penalty. Once your Capital Protection is cancelled for a managed fund, your corresponding units in the BT Capital Protection Fund will be redeemed and the proceeds deposited into your Cash Account. Your holding in your chosen managed fund will not be redeemed and will remain in your Wrap Essentials account. It is important to note that if your Capital Protection is cancelled before the protection maturity date, the value of your holdings in your Protection Portfolio may be less than the Minimum Outcome.

### **Capital Protection fees and costs**

There will be a protection issuer fee and protection acquisition cost payable if you obtain Capital Protection for your investments in eligible managed funds. Your adviser will provide you with the BT Capital Protection Fund PDS, which provides more detail about the specific fees and costs that apply.

Unlike other managed funds, the fees and costs for the BT Capital Protection Fund are not deducted from the value of the managed fund before the unit price is calculated. Rather, the protection issuer fee and protection acquisition cost in relation to the BT Capital Protection Fund are deducted directly from your Working Cash Account.

### **Risks**

If you decide to apply Capital Protection to your investment in managed funds, you will be exposed to additional risk, such as credit risk, transaction execution risk and operational risk.

Please see the BT Capital Protection Fund PDS for more details.

### **Role of Deutsche Bank**

The protection contract between BT Funds Management Limited (ABN 63 002 916 458 AFSL 233724, 'BTFM'), in its capacity as the responsible entity of the BT Capital Protection Fund, and Deutsche Bank AG (ABN 13 064 165 162 AFSL 238153, 'Deutsche Bank'), requires Deutsche Bank to make certain payments to BTFM in particular circumstances.

BTFM holds the benefit of the protection contract with Deutsche Bank for investors in the BT Capital Protection Fund. Deutsche Bank does not enter into any relationship with investors. Its obligations are owed to BTFM alone.

It is important to note that BTFM does not provide any promise or guarantee relating to credit risks associated with Deutsche Bank. BTFM is only obliged to hold any protection payments it receives from Deutsche Bank for the benefit of investors (subject to tax and other expenses BTFM is allowed to take into account under the BT Capital Protection Fund constitution).

If Deutsche Bank fails to make the payments to BTFM under the protection contract, BTFM will not use any other assets to make any payments or otherwise be responsible for making up any shortfalls. You are not a party to the protection contract with Deutsche Bank. Only BTFM can enforce that contract.

For further information about the role of Deutsche Bank refer to the BT Capital Protection Fund PDS.

## 2\_Changes to the Terms and Conditions

The Terms and Conditions contained in the Additional Information and Terms Booklet which forms Part II of the Investor Guide have been amended for the purposes of Capital Protection. These changes to the Terms and Conditions, which take effect from the date of this Supplementary Wrap Essentials Investor Guide, are as follows:

- The following are inserted in alphabetical order as new definitions in clause 21 (Meaning of terms printed **like this**) of the Terms and Conditions:

Term	Meaning
<b>BT Capital Protection Fund</b>	You obtain <b>Capital Protection</b> by investing in this managed fund.
<b>Protection Portfolio</b>	For <b>Capital Protection</b> , this represents your combined holding in your chosen managed fund and your units in the <b>BT Capital Protection Fund</b> .

- Clause 6 of the Terms and Conditions is replaced with the following:

### 6\_When we may sell your investments without seeking further instructions

You authorise and instruct us to sell investments in **your portfolio** without asking you in the situations and to the extent indicated in the table below and you agree not to vary this instruction:

Situation	Extent of sell down
You have, or would have, insufficient cleared funds in your <b>Cash Account</b> after processing, or in order to process, any instruction (including a regular withdrawal plan payment) or for payment of any fees, costs and other money you owe us (including under an indemnity) or any person you have directed us to make payment to.	To the extent necessary to fund all required payments (or estimate of such payments) and maintain the <b>minimum balance</b> in your <b>Cash Account</b> .
You are in default of your obligations under these Terms and Conditions or the <b>Nominee Deed</b> .	To the extent necessary to pay all amounts you owe us.
You enter any form of administration, or are insolvent (including if you are unable to pay your debts when due or do anything which suggests you cannot do so).	To the extent necessary to pay all amounts you owe us.
Managed funds held in your account are removed from the available selection of managed funds.	The relevant managed fund.

**Your instructions** are to sell your investments:

- if you have a Preferred Portfolio, on a pro-rata basis across all of your investments (whether or not all of your investments are subject to the Preferred Portfolio), or otherwise
- in accordance with any drawdown strategy you have nominated, otherwise
- starting with the holding having the highest value.

If a managed fund is subject to **Capital Protection**, the value of the **Protection Portfolio** containing that managed fund will be used when determining which managed funds have the highest value, and you instruct the Administrator to sell the investments in your **Protection Portfolio** (ie your investments in your chosen managed fund and/or units in the **BT Capital Protection Fund**) in the proportion determined in accordance with the terms of the **BT Capital Protection Fund** PDS and constitution.

If you have a BT **margin loan** and have not nominated a drawdown strategy and do not have a Preferred Portfolio, funds will be drawn from your BT **margin loan** (if available). In the event funds are not available from your BT **margin loan**, we will sell down your investments according to paragraph (c) above.

In selling investments, we may do anything that you or a receiver would be able to do.

- The following clause is inserted, immediately after clause 7, as a new clause 7A of the Terms and Conditions:

#### **7A\_Capital Protection**

You authorise and give us a standing instruction to:

- rebalance the components of your **Protection Portfolio** at the times and in the quantities directed by the responsible entity of the **BT Capital Protection Fund**; and
- deal with interests in connection with your **Protection Portfolio** (both interests we hold for you and interests you hold) in any way that is required of an investor in the **BT Capital Protection Fund** under the terms of that fund's constitution, and as contemplated by its product disclosure statement.

You agree not to cancel or vary this standing instruction during such time that Capital Protection applies to any of your investments.

You appoint us as your attorney with power to deal in any interest you hold in connection with your **Protection Portfolio** in any manner contemplated by, or required under, the terms of the **BT Capital Protection Fund's** constitution or its PDS.

We will not act on your instructions to rebalance your **Protection Portfolio** if we are not reasonably satisfied that you have received, or if permitted have access to, a current copy of the **Investor Guide** or the current disclosure document for the relevant managed funds, including the **BT Capital Protection Fund**, that, in each case, is not defective.

- The following is to be inserted as a new paragraph at the end of clause 9 of the Terms and Conditions:

If your regular investment plan relates to a managed fund subject to Capital Protection, you authorise and instruct us to invest some of your money from your Cash Account in your chosen managed fund and the rest in the BT Capital Protection Fund, in accordance with a pre-determined formula. In some circumstances, all of your money could be invested in the BT Capital Protection Fund.

### **3\_Updated fees and other costs**

- In the 'What are the fees and other costs?' section in Part I - Investor Short Guide of the Wrap Investor Guide, under the heading 'The fees you pay to the Administrator', delete the 'Cash Account fee' section within the table and replace it with the following:

#### **Cash Account fee**

This fee is the difference between:

- (a) the interest rate earned by the Administrator on the underlying bank accounts it maintains at Westpac in which the cash that constitutes your Cash Account is deposited, and
- (b) the interest rate the Administrator declares for your Cash Account and which is payable to you.

This fee accrues daily.

- In the 'Additional information on fees' section in Part II – Additional Information and Terms of the Investor Guide, under the heading 'Cash Account fee', delete the text and replace with the following:

The Cash Account fee is charged by the Administrator for the administration of your Cash Account. This fee is charged before interest is credited to your Cash Account at the end of each quarter. This fee is paid out of the cash the Administrator deposits in the underlying bank accounts it maintains at Westpac and is not separately deducted from your Wrap account balance.

This fee is the difference between:

- (a) the interest rate earned by the Administrator on the underlying bank accounts it maintains at Westpac in which the cash that constitutes your Cash Account is deposited, and
- (b) the interest rate the Administrator declares for your Cash Account and which is payable to you.

The rate of interest declared by the Administrator will not be lower than the average of the interest rates of the four major Australian banks for Cash Management Accounts with balances of \$10,000.<sup>1</sup>

<sup>1</sup> You can contact your adviser or Customer Relations to find out the current interest rate declared by the Administrator.



## → Investment Wrap Essentials Supplementary Wrap Essentials Investor Guide

**This Supplementary Wrap Essentials Investor Guide is dated 18 October 2012 and supplements each Wrap Essentials Investor Guide<sup>1</sup> and Supplementary Wrap Essentials Investor Guide (together, Wrap Essentials Investor Guide) issued by BT Portfolio Services Ltd ABN 73 095 055 208 AFSL No. 233715 (BTPS) between 15 November 2010 and 18 October 2012.**

**This Supplementary Wrap Essentials Investor Guide is issued by BTPS and must be read together with the Wrap Essentials Investor Guide.**

**To the extent of any inconsistency, the information in this Supplementary Wrap Essentials Investor Guide prevails over any information dealing with the same subject matter in the Wrap Essentials Investor Guide and the Investor Registration Form for Investment Wrap Essentials.**

This Supplementary Wrap Essentials Investor Guide provides important information affecting new and existing investors in relation to updated information on fees.

The information contained in this Supplementary Wrap Essentials Investor Guide has been prepared without taking into account your 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.

<sup>1</sup> Each Wrap Essentials Investor Guide is made up of two parts: Part I – the Investor Short Guide and Part II – Additional Information and Terms.

## Updated information on fees

### 1\_Update to 'The fees you pay to your adviser'

In the 'What are the fees and other costs?' section in Part I - Investor Short Guide of the Wrap Essentials Investor Guide, under the heading 'The fees you pay to your adviser', replace the table with the following:

What services are you paying for?	What do you pay?	What do you get in return?
<b>Establishing the investment portfolio</b>	<b>Contribution fee</b> This fee can be a dollar or percentage fee. It is charged on deposits. You can negotiate the amount of this fee with your adviser. There is no maximum, however, the Administrator has the right to reject the amount you agree with your adviser.	<ul style="list-style-type: none"> <li>→ An investment portfolio aligned with your overall investment strategy.</li> <li>→ Processing of the paperwork to set up the relevant investments</li> </ul>
<b>Ongoing advice which may include keeping your investment portfolio under review</b>	<b>Ongoing advice fee</b> This fee can be a dollar or percentage fee. Percentage fees are calculated as a percentage of the average of your opening and closing account balance. You can negotiate the amount of this fee with your adviser. There is no maximum, however, the Administrator has the right to reject the amount you agree with your adviser.	<ul style="list-style-type: none"> <li>→ Ongoing service including requesting transactions on your behalf.</li> <li>→ Depending on the relationship you have agreed with your adviser, you may also get: <ul style="list-style-type: none"> <li>— updates on the status of your Wrap Essentials account</li> <li>— advice on your investment portfolio</li> <li>— assistance to answer questions</li> </ul> </li> </ul>
<b>Establishing your investment within the relevant managed fund</b>	<b>Managed fund transaction fee</b> Calculated as a dollar amount or percentage of each investment you make. You can negotiate the amount of this fee with your adviser. There is no maximum, however, the Administrator has the right to reject the amount you agree with your adviser.	<ul style="list-style-type: none"> <li>→ Requesting managed fund transactions on your behalf.</li> </ul>
<b>One-off advice or other services that may be provided by your adviser from time to time</b>	<b>One-off advice fee</b> This fee is a fixed dollar fee. It may be charged multiple times a year as agreed with your adviser from time to time under the One-off advice fee form. You can negotiate the amount of this fee with your adviser. There is no maximum, however, the Administrator has the right to reject the amount you agree with your adviser.	<ul style="list-style-type: none"> <li>→ Additional advice or other services provided by your adviser from time to time.</li> </ul>

**Subject to the Administrator's discretion, you have the right to negotiate and agree adviser fees with your adviser that are higher than any maximum amounts specified in the Investor Registration Form for Investment Wrap Essentials.**

## **2\_Update to 'Waivers of fees and costs'**

In the 'Additional information on fees' section in Part II – Additional Information and Terms of the Wrap Essentials Investor Guide, under the heading 'Waivers of fees and costs', replace the text with the following:

Generally the amounts of the fees and costs that will apply to your Wrap Essentials account will be as disclosed in this Investor Guide unless the Administrator gives you 30 days' notice of any increase. However, the Administrator may, at its discretion, either generally or on request from you, your adviser or their dealer group, reduce or waive any of the fees and costs.

## **3\_Update to 'Fee entitlements, allocations and platform payments'**

In the 'Additional information on fees' section in Part II – Additional Information and Terms of the Wrap Essentials Investor Guide, under the heading 'Fee entitlements, allocations and platform payments', delete the second paragraph and replace it with the following text:

The Administrator may also pay to your adviser or your adviser's dealer group up to 100% of the amounts referred to under "Product access payments and fund manager payments" below and/or a transition bonus of up to 0.2% of your initial investment. The Administrator pays these amounts out of its own funds and they are not an additional cost to you.

The payments in this section may relate to services provided to the Administrator or may be paid as a commission.

# Investar Wrap Service Wrap Essentials



Investor Short Guide  
Dated – 15 November 2010



# Purpose of the Investor Short Guide

This Investor Short Guide forms part of the Investor Guide for Wrap Essentials and should assist you to make an investment decision by:

- giving you a clear overview of the Wrap Essentials service and how it works
- explaining how you can benefit from it, and
- giving you an understanding of what's available to you and where you can go to find more assistance and information.

The Investor Guide for Wrap Essentials includes 2 parts:



## Part I – Investor Short Guide

→ This document

Please read this for a clear overview of Wrap Essentials.



## Part II – Additional Information and Terms

- On the CD enclosed, or
- On our website:  
<https://www.investorwrap.com.au/wrap/EssentialsPartIIGuide>, or
- A hard copy can be obtained from your adviser

Please read this for more detailed information on how to use Wrap Essentials and important terms and conditions.

### Updates to this Investor Guide

We may update either part of this Investor Guide. The latest version is available at [www.investorwrap.com.au](http://www.investorwrap.com.au). We may update information in Part I by issuing a new version of Part II. We will give you 30 days notice prior to making changes to Wrap Essentials that are materially adverse to investors.

### About the Administrator

BT Portfolio Services Ltd ABN 73 095 055 208 operates and administers Investar Wrap Service Wrap Essentials ('Wrap Essentials'). Throughout this Investor Guide, BT Portfolio Services Ltd is referred to as 'the Administrator'. The Administrator issues this Investor Guide in Australia and is responsible for the transaction, administration and technology functions of Wrap Essentials. The Administrator also acts as custodian for Wrap Essentials and holds the managed funds and cash on your behalf.

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 their Cash Account or other Westpac deposit products, an investment in, or acquired using Wrap Essentials 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. Neither Westpac nor any other company in the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of any investments in, or acquired through Wrap Essentials.

### About the Distributor

Investar Portfolio Management Ltd ('the Distributor') ABN 48 009 351 857 distributes Wrap Essentials and is not responsible for bringing Wrap Essentials to you. Its role is limited to distributor only.

### Eligibility

Wrap Essentials is only available to investors who receive this Investor Guide in Australia and either (i) are Australian residents or (ii) appoint an Australian resident attorney to act on their behalf in relation to their Wrap Essentials account.

### Australian Financial Services Licences

The Australian Financial Services Licence ('AFSL') numbers of the AFSL holders identified in this Investor Guide are as set out in the following table:

AFSL Holder	AFSL number
BT Portfolio Services Ltd	233715
Westpac Banking Corporation	233714
Investar Portfolio Management Ltd	233829

### Investment in Wrap Essentials

Wrap Essentials is an investment service operated under the Investor Directed Portfolio Service Class Order (02/294) issued by the Australian Securities and Investments Commission ('ASIC'). ASIC is not responsible for Wrap Essentials.

The provision of the Investor Guide and the Available Managed Funds List should not be taken as the giving of investment advice by the Administrator in relation to investments that may be acquired through Wrap Essentials. The Investor Guide has been prepared without taking account of your objectives, financial situation or needs, and you should consider the appropriateness of Wrap Essentials having regard to your objectives, financial situation and needs.

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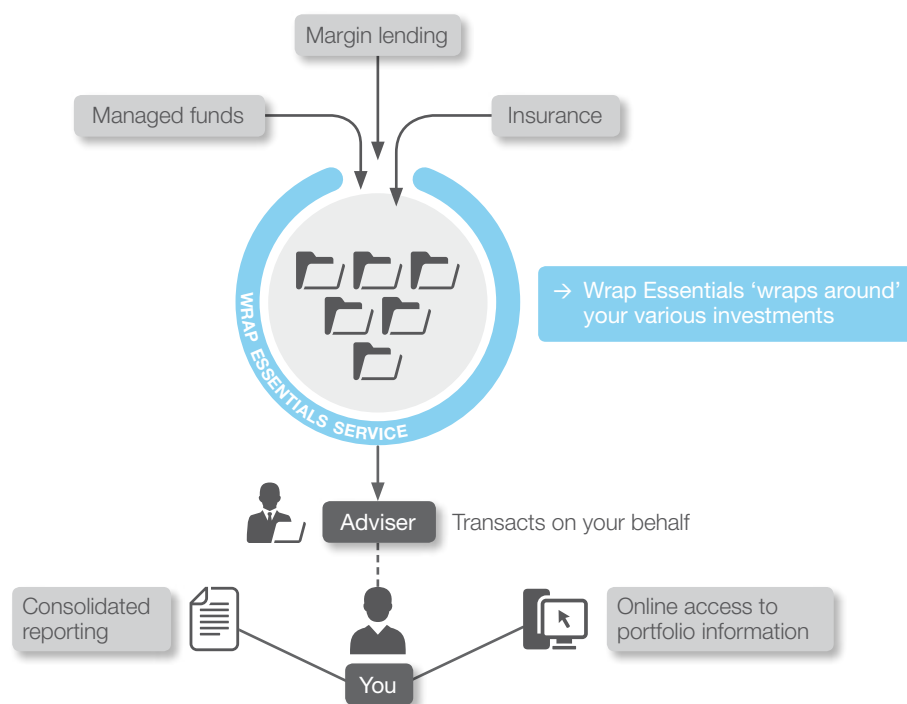
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# What is Wrap Essentials?

Wrap Essentials is a way of managing a diverse range of investments through a single point of access. Instead of having to keep track of all your investments separately, you can have them all located in one place — which can save you time, money and lots of extra paperwork.



## Who plays a part in Wrap Essentials?



### You

- You make the choices about which investments to include in your Wrap Essentials portfolio in conjunction with your adviser.
- You can monitor the performance of your Wrap Essentials portfolio online and issue instructions through your adviser to make any change to your Wrap Essentials portfolio.



### The Administrator

- The Administrator operates and administers Wrap Essentials for you and your adviser, maintaining the underlying systems and working with your adviser to deliver associated services.
- The Administrator acts as custodian of your Wrap Essentials account and holds your cash and managed funds on your behalf.



### Your adviser

- We recommend that you speak to your adviser before making any investment decisions.
- Your adviser will help you develop a personalised investment strategy and may advise you about making changes to your portfolio over time.
  - Based on your instructions, he or she will direct the Administrator to buy, sell or transfer investments into or out of your portfolio. You may provide your adviser with authority to direct the Administrator without seeking your specific instructions.
  - Your adviser will monitor the performance of your investments and may provide you with regular status reports.
  - If you cease to have an authorised adviser you may not be able to retain your investment in Wrap Essentials.



### Fund managers

- Fund managers are responsible for the investment management and administration of specific managed funds you choose to invest in.



# What are the top 5 benefits of using Wrap Essentials?

Ultimately, your adviser does all the hard work of developing your investment strategy and instructing the Administrator to undertake transactions for you. Wrap Essentials helps make this job easier and more efficient by providing a central platform from which your adviser is able to monitor your entire investment portfolio. Here we highlight the top 5 benefits to you.

## 1

### **Wide range of investment options and features**

Wrap Essentials offers you a single point of access to over 80 managed funds. In addition, you can access a number of wealth creation and protection products through Wrap Essentials.

## 2

### **Consolidated reporting and 24/7 access to your Wrap Essentials account information**

Wrap Essentials combines all your investment information and presents you with quarterly reports, annual tax statements, PAYG reports, portfolio valuations and cash statements. You can also view your portfolio online at any time.

## 3

### **Cost savings**

Wrap Essentials allows your adviser to actively monitor your investments and conduct transactions through one technology platform. The savings in administration time may result in less cost for you and allows the adviser to spend more valuable time developing your investment strategy. And with the consolidated annual tax report Wrap Essentials generates, you may see a reduction in your accounting fees.

## 4

### **Personal tailoring with a flexible platform**

Wrap Essentials makes it easy to construct and monitor a diversified investment portfolio. Features such as the regular savings plan and rebalancing options allow you to implement a customised investment strategy which you can change over time. You can also access your money if you need it. Wrap Essentials is ideal for a wide range of investors and may provide substantial advantages for self-managed super funds. In addition, from the 2011/12 financial year, Wrap Essentials will allow you to monitor and take control of the tax outcomes of your investment strategy.

## 5

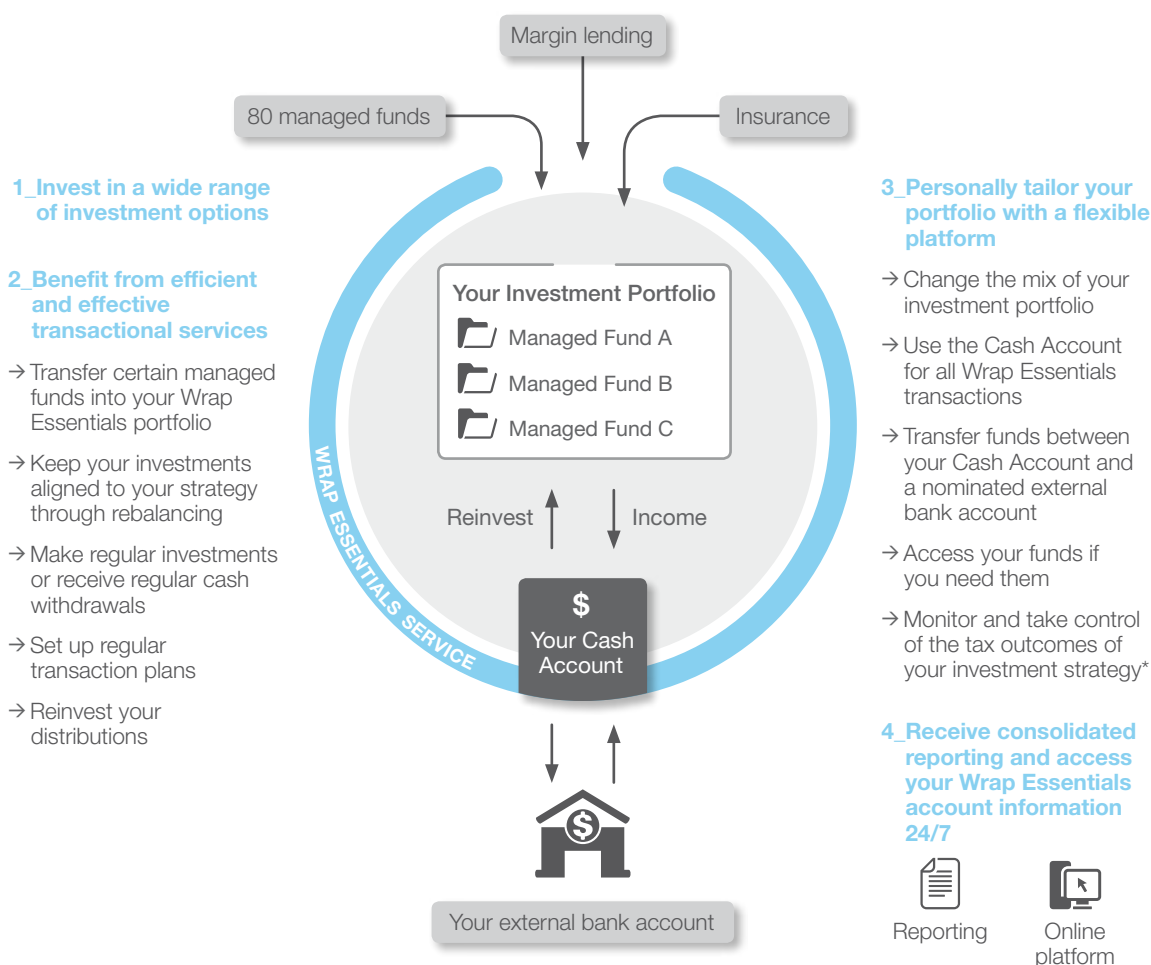
### **Ease in transferring your existing investments onto Wrap Essentials**

You can take full advantage of the benefits of a single platform and consolidated reporting by transferring certain managed funds that you hold into your Wrap Essentials portfolio. Depending on your circumstances, you may not realise capital gains or incur stamp duty when transferring. Your adviser can advise which managed funds can be transferred into your portfolio.





# What can you do with Wrap Essentials?



\* Available from 2011/12 financial year

## 1\_Invest in a wide range of premium investment options

### Managed funds

Through Wrap Essentials you have access to over 80 managed funds, encompassing some of Australia's leading fund managers. Your choice includes:

- diversified funds
- sector funds (eg emerging markets, property)
- regional funds (including Australian and international shares)
- specialist funds.

The accessible managed funds are specified in the Available Managed Funds List, which is available on request from your adviser free of charge.

### Margin lending

Gearing, via a margin loan, can be a growth strategy that allows you to unlock the value of your Wrap Essentials account. By using the value of your Wrap Essentials investment to borrow money from a margin lender, you will have more money to invest in managed funds, which can potentially increase your returns and diversification.

While margin lending increases the potential return on investments, it is important to recognise that margin lending can also increase your potential losses. Ask your adviser about how margin lending works and whether it is suitable for your financial circumstances, objectives and needs. You should carefully read the relevant Product Disclosure Statement.

## Insurance

A comprehensive range of life insurance and income protection policies to protect you and your family from the financial consequences of illness, injury, medical trauma and death are available through Wrap Essentials. Speak to your adviser about your insurance needs and read the relevant Product Disclosure Statement.

## 2\_Receive consolidated reporting and access your Wrap Essentials account information 24/7

### Reporting

You and your adviser will receive quarterly and annual consolidated reporting summarising your Wrap Essentials account activity, as well as a consolidated tax report soon after the end of the financial year.

Your quarterly and annual statement information can be provided to your accountant in electronic form making it easier and more efficient for your accountant to access and use the information.

### Online platform

Information on your account is also available 24 hours a day, 7 days a week by visiting [www.investorwrap.com.au](http://www.investorwrap.com.au). You can view your account balance, investment holdings and transactions.

## 3\_Manage your account easily and efficiently

### Use the Cash Account for all Wrap Essentials transactions

When you join Wrap Essentials, a Cash Account is automatically established for you and acts as the main transaction account inside Wrap Essentials. The Cash Account is used to settle your managed fund transactions. Interest will accrue daily on your money held in the Cash Account, and will be credited to your balance quarterly in arrears so your money is working for you even between investments. Interest on the Cash Account is calculated at a variable rate determined by the Administrator.

### Transfer funds between your Cash Account and a nominated external bank account

Your Cash Account can be linked to an external bank account (including credit union accounts) for easy transfer of funds into and out of Wrap Essentials. You may authorise your adviser to transfer funds between your Cash Account and your linked bank account at any time. Deposits can also be made via BPAY<sup>1</sup> and you can get access to a cheque and deposit book.

### Set up regular transaction plans

#### → Regular investment plan

You can make regular investments into managed funds from your Cash Account, and spread your purchase over a number of periods, which may help reduce the impact of market volatility on your Wrap Essentials account.

#### → Regular deposit plan and regular withdrawal plan

These two plans allow you to deposit funds regularly from your nominated external bank account into your Cash Account and to transfer funds regularly from your Cash Account to your nominated external bank account respectively.

### Access your funds if you need them

You can access your funds through a one-off withdrawal, as you require, with funds generally available within 24–48 hours.

### Give us instructions relating to your portfolio

You can give us instructions relating to your portfolio through your adviser. For example this includes all instructions to buy, sell or switch between investments. You can also appoint a representative to give us directions on your behalf without first seeking your instructions.

<sup>1</sup> Registered to BPAY Pty Limited ABN 69 079 137 518. Applications by BPAY will generally not be processed until the next business day following the BPAY transaction request,

provided that the request is made before your bank's cut-off time (usually 6.00pm Sydney time). Your bank will provide detailed terms and conditions in relation to BPAY to

you. You cannot use your credit card to make BPAY investments. Any investment request generally cannot be reversed.



## What can you do with Wrap Essentials?

### 4\_Personally tailor your portfolio with the flexible platform

#### **Change the mix of your investment portfolio**

Through your adviser, you can switch between investments or add new investments to your portfolio.

#### **Reinvest your distributions**

You instruct the Administrator to reinvest your distributions from all of your managed funds (where permitted by the managed fund). You can vary this instruction by notifying the Administrator in which case distributions will be deposited into your Cash Account.

The fund manager<sup>1</sup> will provide information regarding the available reinvestment options for a particular fund. Please note that at the time your income is reinvested you may not have received the current disclosure document for that fund however you can request a copy from the fund manager or your adviser.

#### **Keep your investments aligned to your strategy**

The Preferred Portfolio is a facility in Wrap Essentials that allows you and your adviser to establish and maintain a pre-determined investment strategy for managed funds through regular rebalancing of your portfolio back to your desired settings. This facility enables all or part of your Wrap Essentials account to remain tailored to your investment needs. See Part II — Additional Information and Terms for more information on Preferred Portfolios.

### **Monitor and control your tax outcomes**

From 2011/12 financial year, you and your adviser can view the tax consequences of investment decisions and adapt the appropriate tax method for your Wrap Essentials account depending on your overall circumstances. Your adviser can provide you with more details when this becomes available.

### **Take advantage of Wrap Essentials with your Self Managed Super Funds (SMSFs)**

Self Managed Super Funds benefit from the control and simplified administration that consolidated reporting provides. In particular, you may benefit from reduced accounting costs because of the reduced time and effort required to collect relevant information about your investments for tax and other purposes.

### 5\_Easily transfer existing investments onto your Wrap Essentials platform

If you have existing managed fund investments, you may be able to take full advantage of the benefits of a single platform and consolidated reporting by transferring certain managed fund investments into your Wrap Essentials account (your adviser can tell you if your managed funds can be transferred).

You may not realise any capital gains or incur stamp duty when you transfer (although some nominal duty may apply). You should seek professional advice on the taxation and stamp duty implications of transferring investments into Wrap Essentials.

# What are the main Wrap Essentials features?

## Investment options

<b>Managed funds</b>	Access to over 80 managed funds.
<b>Cash Account</b>	Used to settle your transactions and pays interest.

## Tailored portfolio options

<b>Switching</b>	Switch between your managed funds at any time.
<b>Preferred Portfolios</b>	Option to establish a Preferred Portfolio facility which allows you to maintain a predetermined managed funds investment strategy through regular rebalancing.

## Easy transaction options

<b>Nominated external bank account</b>	Flexibility to link external bank accounts (including credit union accounts) to your Cash Account to allow regular deposit plan, regular withdrawal plan or one-off direct debits into and/or withdrawals from your Cash Account.
<b>One-off direct debit</b>	Enables you to deposit funds from your nominated external bank account into your Cash Account or have other institutions or third parties draw payments from your Cash Account.
<b>BPAY®</b>	Enables you to make initial and additional deposits into your Cash Account using BPAY.
<b>Cheque book</b>	Enables you to access funds from your Cash Account easily by using a cheque book.
<b>Deposit book</b>	Enables you to deposit funds into your Cash Account.

## Regular transaction plans

<b>Regular deposit plan</b>	Enables you to regularly deposit funds from your nominated external bank account into your Cash Account.
<b>Regular investment plan</b>	Enables you to regularly invest funds from your Cash Account into your choice of managed funds.
<b>Regular withdrawal plan</b>	Enables you to regularly withdraw funds from your Cash Account to your nominated external bank account.

## Investment minimums

<b>Minimum initial investment</b>	\$5,000 or \$2,000 with a regular deposit plan of \$100 per month.
<b>Minimum additional investment or switch</b>	No minimums.
<b>Minimum balance per managed fund</b>	No minimums.
<b>Minimum Cash Account balance</b>	No minimum. However where you have nominated regular amounts to be deducted from your Cash Account like insurance premiums, you should ensure there is sufficient balance held to cover these payments.
<b>Minimum withdrawal</b>	No minimum for withdrawals from your Cash Account.

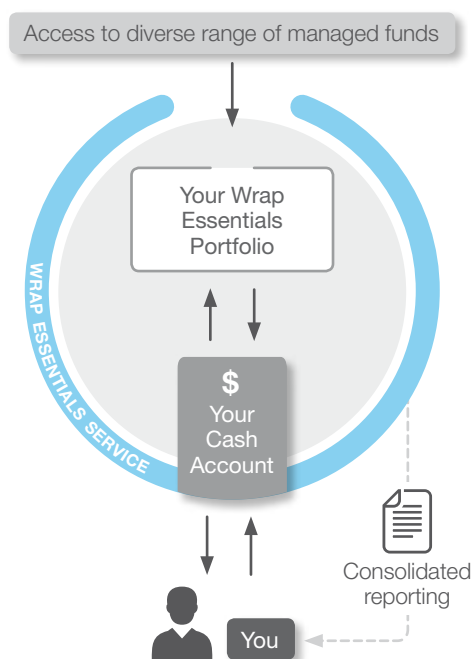
## Services provided

<b>Consolidated reporting</b>	You will receive quarterly and annual consolidated reporting summarising your Wrap Essentials account activity. You will also receive a consolidated tax report soon after the end of the financial year.
<b>Telephone service</b>	Call the Voice Response Service ('VRS') service any time on the number listed on the back cover of this Investor Short Guide.
<b>Internet access</b>	Information on your Wrap Essentials account is available 24 hours a day, 7 days a week by visiting <a href="http://www.investorwrap.com.au">www.investorwrap.com.au</a> .



# How is investing through Wrap Essentials different from investing directly?

## Investing through Wrap Essentials



### 1\_ Consolidated reporting

You will receive comprehensive consolidated reporting on your Wrap Essentials account.

### 2\_ Beneficial ownership of your managed funds

You retain beneficial ownership of units you hold in managed funds. The Administrator is the legal owner of these units and keeps a record of these units held on your behalf.

### 3\_ No cooling-off rights

The Administrator is a wholesale investor and so may not become entitled to any cooling-off rights when investing in units in wholesale managed funds on your behalf. As the beneficial owner of the units, you will generally not be entitled to any cooling-off rights.

### 4\_ No communications from product issuers

Because the Administrator holds the managed fund units on your behalf, you will not normally receive communications, such as annual or other reports, notices of meetings, or notification of changes in investment policies and fees, from the product issuers. You can obtain this information by providing the Administrator with instructions specifying the information you require<sup>1</sup>

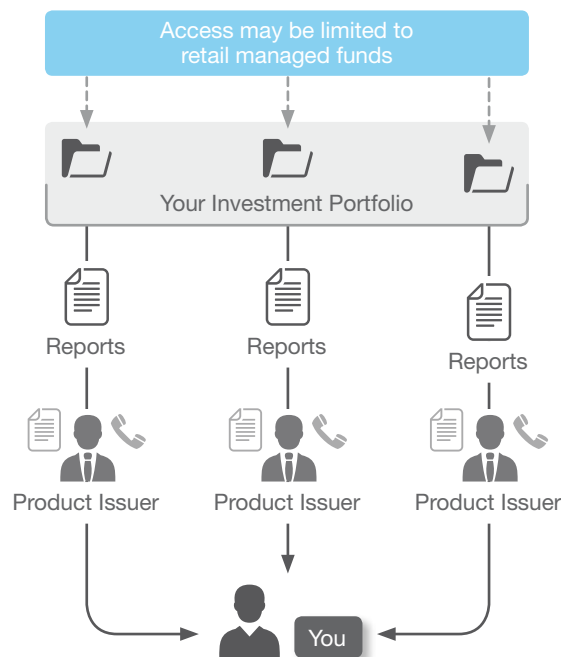
### 5\_ Limited voting rights

From time to time there may be proposals by managed funds that involve the exercise of voting rights. The Administrator is not required to exercise voting rights in relation to the managed funds units it holds for you. Where a proposal involves voting rights, the Administrator may notify your adviser and seek instructions. The Administrator will act on your instructions if they are received by the deadline.

<sup>1</sup> If you do instruct the Administrator to provide this information, the Administrator reserves the right to

charge a minimum of \$10 for each item requested. This charge would be deducted from your Cash Account.

## Investing directly



### 1\_ Reporting is not consolidated

Your reporting is on a fund-by-fund basis.

### 2\_ Direct ownership of your retail managed funds

You are the legal and beneficial owner of your retail managed funds and acquire all rights attaching to ownership.

### 3\_ Cooling-off rights

If you are a retail client you may be entitled to a 14 day cooling-off period with respect to your retail managed funds. If you exercise your right within the cooling-off period, you can have your application money returned (subject to some adjustments).

### 4\_ Regular communications from product issuers

You will receive regular communications from product issuers including annual reports, notices of meetings and notification of any changes.

### 5\_ Voting rights

As you are the legal and beneficial owner, you are free to participate in any actions requiring voting that affect your investment.



## What are the fees and other costs?

As small differences in both the investment performance and fees and costs can have a substantial impact on your long term returns, it is important that you understand that the total fees you pay include both the costs of Wrap Essentials itself and the costs associated with the investments you make on Wrap Essentials eg transaction fees and managed fund costs. The costs for each investment will usually be shown in the disclosure documents for that investment.

### Why do you pay fees?

- 1\_ For the advice, professional expertise and oversight of your portfolio by your adviser.
- 2\_ For ongoing access to the sophisticated technology of Wrap Essentials and the services the Administrator provides through it.
- 3\_ For conducting transactions, such as changing your mix of investments.
- 4\_ For management of assets in the managed funds you choose.



### The fees you pay to the Administrator

What type of services do you get?	What do you pay?	What services do you receive?
Operating and maintaining Wrap Essentials	Nil.	<ul style="list-style-type: none"><li>→ The bundle of services provided through Wrap Essentials, including access to sophisticated technology for managing your investment portfolio that saves you and your adviser time, money and paperwork.</li><li>→ Holding (custody) and administration of your investment portfolio.</li><li>→ Online access to up-to-date Wrap Essentials account information.</li><li>→ Consolidated reporting for all investments in your Wrap Essentials portfolio, as well as useful consolidated tax information.</li><li>→ Ongoing investment in improving the technology and product offerings of Wrap Essentials.</li></ul>



### Please consult your adviser

Please note that these fee descriptions are meant to give you a clear overview of the types of fees you might pay and why you pay them. Your adviser will provide you with a Statement of Advice ('SOA'), which will outline exact fees for your specific situation. Please consult with your adviser for more information on the fees you will be paying.



### The fees you pay to the Administrator

What type of services do you get?	What do you pay?	What services do you receive?
<b>Administering your Cash Account</b>	<b>Cash Account fee</b> This fee is calculated based on the daily balance of your Cash Account and is generally between 0% and 2% per annum.	→ Efficient administration of all transactions into and out of the Cash Account.
<b>Conducting transactions through Wrap Essentials</b>	<b>Investment switching fee</b> Nil.	→ Executing the requested change with the relevant fund manager.
<b>Preferred Portfolio option</b>	<b>Preferred Portfolio fee</b> Nil.	→ Access to the Preferred Portfolio facility, which allows your Wrap Essentials account to be rebalanced in line with a Preferred Portfolio.





## What are the fees and other costs?



### The fees you pay to your adviser

What type of services do you get?	What do you pay?	What services do you receive?
<b>Establishing the investment portfolio</b>	<b>Contribution fee</b> This fee can be a dollar or percentage fee. It is charged on deposits — 0–5% of the value of the deposit as agreed with your adviser.	→ An investment portfolio aligned with your overall investment strategy. → Processing of the paperwork to set up the relevant investments.
<b>Ongoing advice which may include keeping your investment portfolio under review</b>	<b>Ongoing advice fee</b> This fee can be a dollar or percentage fee. Percentage fees are calculated as a % of the average of your opening and closing account balance — 0–2% pa as agreed with your adviser.	→ Ongoing service including requesting transactions on your behalf. → Depending on the relationship you have agreed with your adviser, you may also get: — updates on the status of your Wrap Essentials account — advice on your investment portfolio — assistance to answer questions.
<b>Establishing your investment within the relevant managed fund</b>	<b>Managed fund transaction fee</b> Calculated as a dollar amount or % of each investment you make — 0–5% as agreed with your adviser.	→ Requesting managed fund transactions on your behalf.

The Administrator may pay trail commission of up to 0.6% pa of the value of your account (excluding the Cash Account), which may be split between your adviser, their dealer group and the Distributor. This commission is paid from product access

payments and fund manager payments received by the Administrator from fund managers. See Part II — Additional Information and Terms for more information on these payments.



## The fees you may pay to other people

What type of services do you get?	What do you pay?	What services do you receive?
<b>Fund managers</b> Administering the managed fund and managing its assets	<b>Investment manager fee</b> Various fees and expenses are deducted from the total value of the fund before calculating the value of each individual unit (ie the unit price). Some investment managers also charge contribution and withdrawal fees. These fees vary between managed funds. Your adviser will provide you with a Product Disclosure Statement or other disclosure document for each of the relevant managed funds, which will disclose what specific fees will apply.	→ Professional expertise in administering the managed fund and managing the fund's assets according to the fund's investment strategy. → Day-to-day management of the assets of the managed fund.

### Fund manager payments and product access payments

The Administrator may receive the following payments from fund managers:

- fund manager payments of up to 1.95% pa of the total amount invested in a managed fund accessible through Wrap Essentials, and
- product access payments of up to \$5,000 pa (per fund manager) plus \$3,500 pa (per managed fund accessible through Wrap Essentials).

### Goods and Services Tax ('GST')

All fees in this section are expressed as inclusive of any applicable GST and are net of any applicable reduced input tax credits ('RITCs').

### Payment of fees from your Cash Account

All fees that you pay to your adviser or the Administrator (except for the Cash Account fee) are deducted from your Cash Account.

### Third party payments

The Administrator and other members of the Westpac Group receive payments from third parties in connection with Wrap Essentials. Further information relating to these payments is set out in the Additional Information and Terms.

### Additional information

This section sets out the main fees and charges associated with Wrap Essentials. Additional fees may apply. The Administrator can change the amount of fees or introduce new fees, however you will be given 30 days notice. You should read the additional information in Part II — Additional Information and Terms.



# How do fees work?

Below is a hypothetical example<sup>1</sup> of what fees you might incur over a two-year period. Please note that these fees are only representative. The fees will vary depending on the type and value of your investments held in Wrap Essentials, how often you transact and the fees agreed between you and your adviser. Your adviser can show you an estimate of the cost to administer your Wrap Essentials account.

## Making the initial contribution

### 1\_ Transfer \$60,000 into your Cash Account



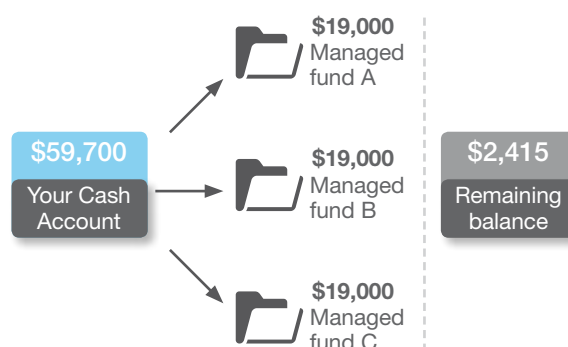
Once your adviser sets up your Wrap Essentials account, you transfer \$60,000 from your external bank account into your Cash Account. This is normally called an 'initial contribution'. After deduction of the contribution fee, \$59,700 remains.

### Moving your money into Wrap Essentials

	Activity	Calculation	Fee amount
	Establishment fee	Nil	\$0
	Contribution fee — 0.5%	$\$60,000 \times 0.5\%$	<b>\$300</b> (Applicable in Year 1 only)

## Making investment choices

### 2\_ Invest in 3 managed fund holdings of \$19,000 each



Your adviser establishes your Wrap Essentials investment portfolio by helping you invest in 3 managed fund holdings of \$19,000 each. After deduction of the managed fund transaction fee, the remaining balance in the Cash Account is \$2,415.

### Investing in managed funds

	Activity	Calculation	Fee amount
	Managed fund transaction fee — 0.5%	$(3 \times \$19,000) \times 0.5\%$	<b>\$285</b> (Applicable in Year 1 only)
	Investment manager fee <sup>1</sup> (assumed fee measure) — 1.9%	$(3 \times \$19,000) \times 1.9\%$	<b>\$1,083 pa</b>
	Investment switching fee	Nil	\$0

<sup>1</sup> The investment manager fee is included in the unit price and is not deducted from the Cash Account.

## Managing your Wrap Essentials account<sup>1</sup>



### 3\_Make no further transactions in Year 1 and 2

#### Total Fees

<p><b>Year 1</b></p> <p><b>\$1,938</b></p> <p>= 3.23% of your account balance</p>
<p><b>Year 2</b></p> <p><b>\$1,353</b></p> <p>= 2.26% of your account balance</p>

You make no further transactions on your Wrap Essentials account in the first and second years, and the value of your Wrap Essentials portfolio and Cash Account remains unchanged.

### Managing your account and portfolio

	Activity	Calculation	Fee amount
	Ongoing advice fee	$\$60,000 \times 0.4\%$	<b>\$240 pa</b>
	Cash Account fee (Assumed average is 1% pa)	$\$3,000 \times 1\%$	<b>\$30 pa</b>

<sup>1</sup> For the purpose of this example, it is assumed that the average account balance in both Year 1 and 2 remains at \$60,000 and

the Cash Account balance remains at \$3,000. This example assumes that no other transactions are made throughout the first

year of investment and does not include any applicable buy/sell spread charges, Government or bank fees.



# Risks

## What are the risks?

Wrap Essentials offers a wide range of investment options to meet different risk and return expectations. You must first take into account the risks of various investments and any operational risk associated with Wrap Essentials to assess whether the potential returns justify those risks. Your adviser will be able to help you assess your risk tolerance and ensure your investment objectives and goals are considered.

There are a range of factors beyond the control of investors that may affect investment returns, such as:

### **Market risk**

Markets are affected by a host of factors including economic and regulatory conditions, market sentiment, political events and environmental and technology issues. These could have a negative impact on returns of all investments in that market. This may affect investments differently at various times.

### **Currency risk**

If an investment is held in international assets, a rise in the Australian dollar relative to the other currencies may negatively impact investment value or returns.

### **Interest rate risk**

Changes in interest rates can have a negative impact either directly or indirectly on investment value or returns of all types of assets.

### **Security specific risk**

An investment in a managed fund may be affected by unexpected changes in the operations of that managed fund (due to quality of management, use of technology, etc) or its business environment or by unexpected changes to the operations or business environment of the managed funds or companies in which it invests.

### **Gearing risk**

If you borrow to invest through Wrap Essentials, this will magnify the effect of gains and losses on your investment portfolio. You should discuss this risk with your adviser.

### **Taxation risk**

You should also be aware that any investment decision you make will have tax consequences and may also have social security and stamp duty consequences. The impact depends on your individual circumstances, and you are responsible for all such consequences when dealing with your assets.

Generally, each financial year you are liable to pay tax on any capital gains arising upon disposal of your investments, interest, distributions, dividends or other income from your investments (even if reinvested). You may be entitled to some rebates or tax credits. You should seek appropriate advice before you transact in any assets using Wrap Essentials.

### **Operational risk**

Wrap Essentials depends on the integrity of its administration and computer systems. However, there is a risk that these systems may not be available in certain circumstances. The Administrator takes risk management and security seriously, and it has procedures in place that are designed to reduce the risk of systems not working effectively and to respond promptly and effectively should problems arise. However, you should be aware that not all of these risks can be foreseen.

## → More Information

### **Disclosure documents for managed funds**

Please see the Product Disclosure Statement for each managed fund which will explain the risks relevant for that investment. Your adviser will be able to provide you with this information.

### **GST**

For information on GST and how it may affect your account, please refer to Part II — Additional Information and Terms.



# What are your rights?

## Basic rights for investors

### You have the right to:

- 1\_ Have Wrap Essentials explained to you in a language you can understand.
- 2\_ Have the Administrator perform the obligations it owes to you honestly and with reasonable care and diligence.
- 3\_ Receive on request free of charge, the Available Managed Funds List which specifies the investments that you can access through Wrap Essentials.
- 4\_ Receive from your adviser this Investor Guide and the disclosure documents (including all supplements to them) for each managed fund free of charge before you choose to invest in that managed fund.
- 5\_ Choose which investments to include in your portfolio, and how long to hold them (together with your adviser).
- 6\_ Have all your managed funds and cash held on trust for you.
- 7\_ Expect that the Administrator will respond quickly and professionally to the instructions you give through your adviser to establish a Wrap Essentials account or to undertake transactions through your Wrap Essentials account.
- 8\_ Have access to helpful information and/or people who can help you answer any questions you may have about Wrap Essentials.
- 9\_ Have access to quarterly reporting (within one month of the quarter end), annual reporting (within three months of the financial year end) and up-to-date information on the status of your investments.
- 10\_ Elect to receive a copy of any communication that is required by law to be given to a direct holder about the managed funds.
- 11\_ Receive all the income generated from your investments, less agreed fees, taxes and charges.
- 12\_ Have your privacy protected and have confidence about the way your personal information is being used.
- 13\_ Complain to an independent complaints resolution service if you feel you have a concern or issue that cannot be resolved by your adviser or the Administrator.
- 14\_ Receive compensation in relation to the functions the Administrator has agreed to perform (including acts or omissions of any agents the Administrator has engaged to perform its function as if these acts or omissions were by the Administrator itself).

## Addressing your concerns

### How do I give feedback or lodge a complaint?

If you have a concern or complaint about Wrap Essentials that you cannot resolve with your adviser, please refer the matter in writing to:

The Complaints Officer  
Wrap Services  
GPO Box 2337  
Adelaide SA 5001

The Complaints Officer will acknowledge receipt of your complaint, and will endeavour to resolve the situation within 30 days of receiving your letter.

### What should I do if I don't receive a response or I'm dissatisfied with the Administrator's response?

If you remain dissatisfied with the Administrator's response (or have not received a response within 45 days), you may escalate your complaint to the Financial Ombudsman Service ('FOS') by:

- Calling 1300 780 808
- Faxing to 03 9613 6399
- Writing to:  
Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001

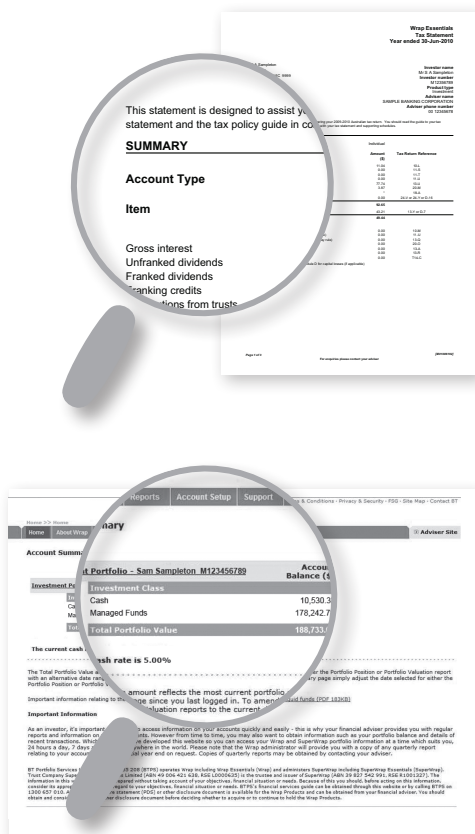
FOS is an independent body, set up to assist customers in the resolution of complaints relating to members of the financial services industry including life insurance and funds management companies.



# How will we keep you informed?

Wrap Essentials's range of convenient services helps to place the information you need at your fingertips.

You have access to:



- Consolidated reports showing a holistic view of all your investments
- Comprehensive tax reporting

- A live view of your Wrap Essentials account balance, investment holdings and transactions

## How can I access this information?

You can access information about your investments 24 hours a day, 7 days a week via our website. You can enquire about and view your Wrap Essentials account balance, investment holdings and transactions at [www.investorwrap.com.au](http://www.investorwrap.com.au).

## What kind of reports will I receive?

Wrap Essentials provides you and your adviser with consolidated reports for your Wrap Essentials account on a quarterly basis and for your annual tax position after the end of the financial year. Your adviser always has online access to your reports, and you can also access various reports at [www.investorwrap.com.au](http://www.investorwrap.com.au).

At the end of each quarter, the Administrator will provide you and your adviser with a report that summarises your portfolio valuation, transactions and income for the quarter. We will provide taxation information upon receipt of all necessary information from third parties.



# How can you contact us?

There are various ways you can contact us to give or receive information.

## How to get access



Internet

[www.investorwrap.com.au](http://www.investorwrap.com.au)



Contact your  
adviser

### How do I change my details?

If you need to change any of your personal details, such as your address or adviser fees and remuneration, you need to let the Administrator know in writing, and you should mail these changes directly to:

✉ Wrap Services  
GPO Box 2337  
Adelaide SA 5001

### → Protecting your privacy

The Administrator and the Distributor have access to your personal details once you register to use Wrap Essentials.

The personal information collected from you on the Investor Registration Form is used to establish and administer your Wrap Essentials account. If you do not provide all of the information requested, neither the Administrator nor the Distributor can provide services to you and the Administrator cannot administer your Wrap Essentials account. Correspondence sent from you or your adviser will be stored by the Administrator together with any notes made on discussions you have with the Administrator over the telephone.

Please keep your details up-to-date (your adviser can provide you with a form that can allow you to update your details with the Administrator), and advise the Administrator of any information that appears inaccurate (especially your address, email and adviser details). The Administrator will correct that information if you ask.

To access the information that is held about you, please write to the Administrator at:

Wrap Services  
GPO Box 2337  
Adelaide SA 5001

Your personal information will only be passed on to parties that assist the Administrator in the administration of your Wrap Essentials account (for example, mail houses or Australia Post), your adviser or your representative, or to related bodies corporate of the Administrator. These parties must agree to keep this information confidential.

The Administrator and the Distributor may also pass on your information if it is required or allowed under the law (for example in connection with legal proceedings) to third parties such as the ATO, AUSTRAC or Centrelink.

The Distributor may use your personal information for marketing purposes, but if you prefer, your name will be removed from the marketing mailing list on request. Please contact the Distributor or your adviser if you wish to have your name removed from this list.

You must give the Administrator all reasonable information connected with Wrap Essentials about you. You must sign any documents and do other things to give effect to instructions or your agreement with the Administrator.

**You authorise the Administrator to obtain information from your bank about authorities granted on your nominated external bank account.**



# What are the next steps?

Here's what you need to do to complete your application:

1

## **Read Part II — Additional Information and Terms**

You should read the Additional Information and Terms document, which contains important information and terms and conditions of the contract you enter into with the Administrator when you apply for a Wrap Essentials account.

If you still have questions after reading this Investor Short Guide and the Additional Information and Terms, ask your adviser for more information.

2

## **Finalise your application with your adviser**

Your adviser can help you complete the application form and lodge it on your behalf. By signing the application form and the Administrator accepting your application, you enter into a contract with the Administrator. The terms of that contract are set out in:

- the Nominee Deed for Wrap Essentials (this document is available from the Administrator free of charge)
- the application form itself, and
- the terms and conditions set out in Part II — Additional Information and Terms.

Depending on the options you choose, you may also sign a direct debit request service agreement as part of the application process.

3

## **Receive a Welcome Pack from the Wrap Essentials administrator**

Once your application is accepted and processed, your adviser may provide you with a Welcome Pack containing information about how to access your Wrap Essentials account. You will also receive a PIN and password to securely access your account.

4

## **Monitor the progress of your investments and talk to your adviser regularly**

You can view your investment portfolio online, and you will also receive quarterly and annual consolidated reports and annual tax information.

You can also work with your adviser to shift money from one investment to another, move out of a particular investment or add a new investment to ensure you still have a well-balanced portfolio.

5

## **Review your overall strategy in light of any changing needs or life circumstances**

As your life circumstances change or events arise, you should work with your adviser to review your overall investment strategy to make sure it remains appropriate to your financial objectives, situation and needs.



# Part II

## Additional Information and Terms

Please read Part II — Additional Information and Terms for more detailed information on the features of Wrap Essentials and how to use it.

→ On the CD enclosed

OR

→ On our website

<https://www.investorwrap.com.au/wrap/EssentialsPartIIGuide>

**See Part II — Additional Information and Terms for more information about:**

- transaction options, including regular transaction plans
- the Cash Account
- the Preferred Portfolio facility
- fees and costs
- tax
- terms and conditions of Wrap Essentials.

