

BT Capital Protection Fund

Product Disclosure Statement

Dated 1 February 2017

Prepare for the best.



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Available through
the Wrap and
SuperWrap
Platforms* of BT
Financial Group

* Investor Directed Portfolio Service known as Wrap (including Wrap Essentials), and SuperWrap (including SuperWrap Essentials) which is part of the super fund known as Retirement Wrap (ABN 39 827 542 991).

About this PDS

This Product Disclosure Statement (**PDS**) contains information relating to the BT Capital Protection Fund (ARSN 160 548 970) (**Capital Protection Fund or the Fund**). The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. You should consider whether the information in this PDS is appropriate for you in light of your individual objectives, financial situation or needs before making a decision to invest in the Fund. We recommend that you consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

When you invest in the Fund, you may invest in a class of units in the Fund. Information about the current classes of units which are available for investment and to which this PDS relates is available at bt.com.au under the heading 'Classes Available'. A paper copy of information about the classes to which this PDS relates will be given to you on request, free of charge. From time to time we can issue new or close existing classes and information about this will be updated on our website.

By giving an instruction to invest in the Fund, you confirm you have received a copy of the current PDS (including all current supplementary PDS(s) that may supplement the original PDS and any incorporation by reference information) to which this investment relates, that you have read it and agree to the terms contained in it, and that you agree to be bound by the terms of the current PDS (including all current supplementary PDS(s) that may supplement the original PDS and any incorporation by reference information) and current Fund constitution (each as amended from time to time).

Updated information

Information in this PDS is subject to change from time to time. Information that is not materially adverse can be updated by us. Updated information can be obtained by contacting your financial adviser, going to our website bt.com.au or calling us on 1300 657 010. You may request a paper copy of any updated information at any time, free of charge.

Issuer of PDS

BT Funds Management Limited ABN 63 002 916 458, AFSL 233724 (**BTFM, we, or us**) is the responsible entity of, and issuer of interests in, the Fund and has prepared this PDS. BTFM is the sole issuer of interests in the Fund. This PDS provides disclosure required under the *Corporations Act 2001* (Cth) (the Corporations Act).

Member of Westpac Group

BTFM is a subsidiary of Westpac Banking Corporation ABN 33 007 457 141. An investment in the Fund is not an investment in, deposit with, or any other liability of, Westpac or any other company in the Westpac Group. It is 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 the Fund.

Applying for interests in the Fund, and use of this PDS

Application for investment in the Fund can only be made by persons receiving this PDS (including an electronic version) in Australia. If you are in possession of this PDS outside Australia, you should seek advice regarding restrictions on investing. Failure to comply with relevant restrictions may violate laws.

As at the date of this PDS, you can only apply for interests in the Fund through an Investor Directed Portfolio Service (**IDPS**) known as Wrap (including Wrap Essentials), and through SuperWrap (including SuperWrap Essentials) which is part of the super fund known as Retirement Wrap (ABN 39 827 542 991), administered by BT Portfolio Services Limited ABN 73 095 055 208 (BTPS). Wrap (including Wrap Essentials) and SuperWrap (including SuperWrap Essentials) and badged variants of these are referred to collectively as the **Wrap Platform** in this PDS.

An investment in the Fund is subject to the terms and conditions in this PDS and the terms set out in the Fund constitution. We reserve the right to accept or decline applications for interests in the Fund. We will notify you of our decision to accept or decline an application as soon as practicable, or as required by law.

We authorise the use of this PDS as disclosure to persons who wish to invest in the Fund through the Wrap Platform. A reference to **you** or **your** in this PDS is a reference to a potential investor who wishes to invest in the Fund through the Wrap Platform.

Other than as specified by legislation including the Corporations Act, this PDS does not confer on you additional rights. We reserve the right to change the features and provisions relating to this Fund as contained in this PDS, but will provide you with notice of any such change or the ability to access such information as required by the Corporations Act.

About BT Financial Group

The responsible entity of the Fund, BTFM, is part of BT Financial Group, the wealth management arm of the Westpac Group. BT Financial Group has been helping Australians create and manage wealth since 1969. BT Financial Group's core business is providing investment, superannuation and retirement products, investment administration services and insurance solutions.

BTPS is an administrator of the Wrap Platform, and BTFM is the issuer of SuperWrap (including SuperWrap Essentials). BTPS is a related body corporate of BTFM.

BTFM is acting in its capacity as the responsible entity of the Fund, separate and distinct from its role as the trustee of SuperWrap.

Deutsche Bank AG provides capital protection to us under the terms of a contract between Deutsche Bank AG and us. We hold the benefit of the capital protection for investors in the Fund. Deutsche Bank does not enter into any relationship with investors. Its obligations are owed to us alone. This contract is referred to as the **Protection Contract** in this PDS.

About Deutsche Bank

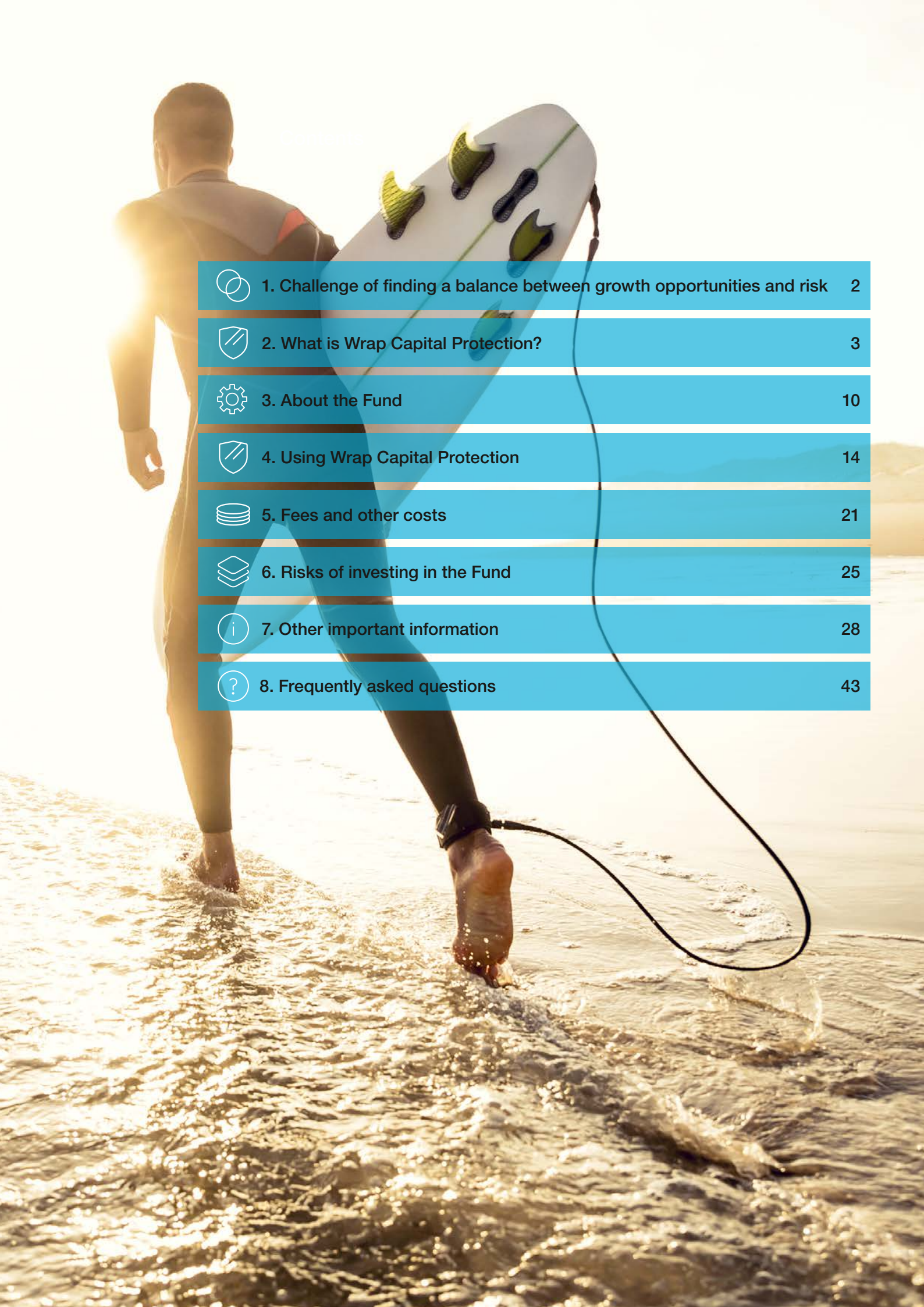
Deutsche Bank AG (Sydney Branch) ABN 13 064 165 162 AFSL 238153 (**Deutsche Bank**) is authorised under German Banking Law (competent authorities: European Central Bank and the BaFin, Germany's Federal Financial Supervisory Authority), and authorised and subject to limited regulation in Australia by the Australian Prudential Regulation Authority.

Deutsche Bank has given its written consent to the inclusion of the paragraph immediately above, in the form and context in which that paragraph is included and has not withdrawn that consent before the date of this PDS. Deutsche Bank AG has not caused the issue of this PDS or made any other statement that is included in this PDS or any statement on which a statement in this PDS is based (including any other statement about Deutsche Bank AG), except as stated above. Other than the inclusion of the paragraph immediately above, Deutsche Bank AG expressly disclaims and takes no responsibility for any statements in, or omissions from, this PDS (including any other statement about Deutsche Bank AG). This applies to the maximum extent permitted by law and does not apply to any matter and to the extent to which consent is given above.

Risks

All investments involve a degree of risk. Please consider the risks associated with investing in the Fund that we have set out in section 6 of this PDS and consult your financial adviser before deciding whether to invest in the Fund.

None of BTFM, Westpac or Deutsche Bank provides any guarantee in relation to the Fund. More details are provided in section 6 of this PDS.



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1. Challenge of finding a balance between growth opportunities and risk

Investing in Australian or international shares tends to produce higher returns over the long term. However, as recent experiences in the global economy have shown, such investments are also subject to higher risks, and potential losses can have a significant impact on investors with a shorter term investment timeframe.

On the other hand, an exposure to bonds or cash generally offers greater security but potentially lower returns over the longer term, and investors can be adversely impacted by inflation eroding the purchasing power of their savings over a long term.

Our solution aims to address this challenge for investors. By investing in the Fund, you can obtain capital protection for your investments in eligible managed funds on the Wrap Platform, and get an opportunity to benefit from growth in those managed funds when they perform well. This feature on the Wrap Platform is called **Wrap Capital Protection** or **protection** in this PDS.

Importantly, Wrap Capital Protection does not involve a guarantee by us, Deutsche Bank or anyone else for your investment. There are risks associated that you should consider carefully, including credit risk to Westpac and Deutsche Bank. Please refer to the risks set out in Section 6 for more information.

For more information

Throughout this document you will see symbols like those shown below. They indicate that there is further information on the topic being covered in another part of the document.

For example:

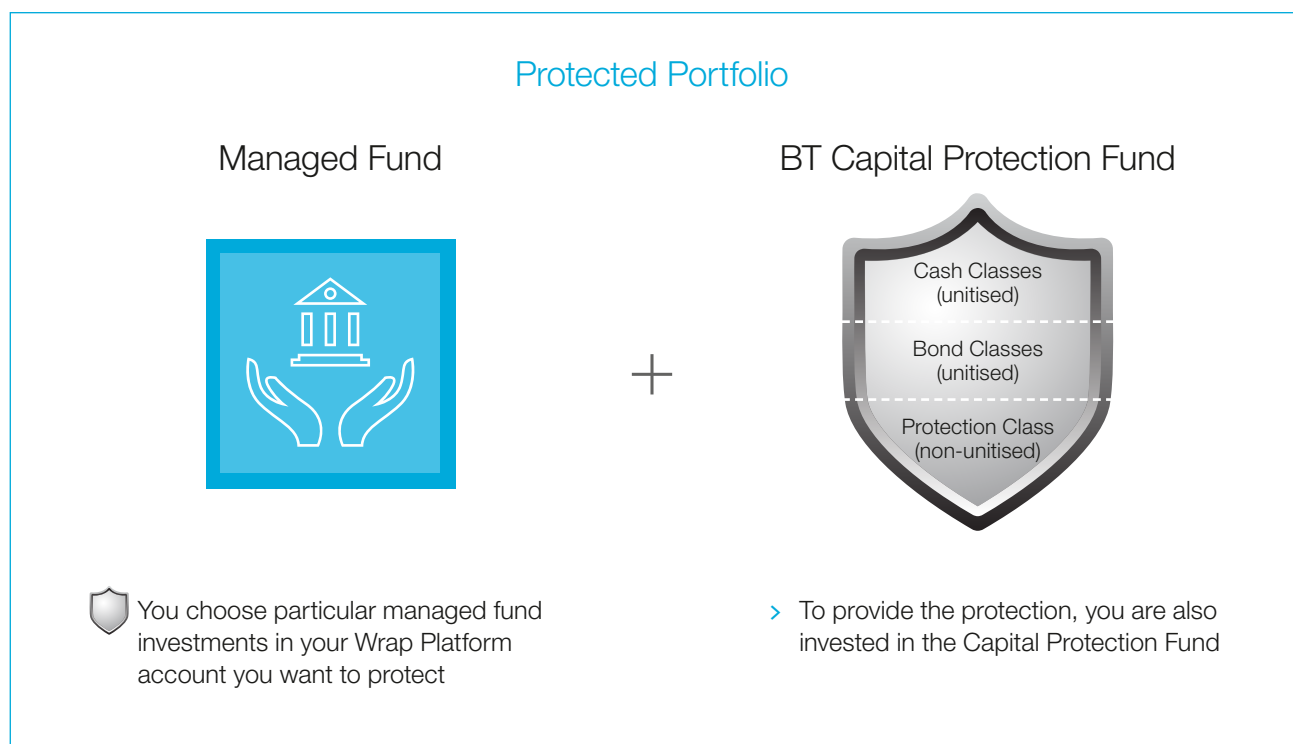
- 2 For more information go to Section 2
- 6 + 8 For more information go to Sections 6 and 8
- 7.7 For more information go to Section 7.7
- 8 Q3 For more information go to Section 8 (Question 3)

2. What is Wrap Capital Protection?

Wrap Capital Protection aims to protect your investments in eligible managed funds, while still allowing you to benefit from growth when your chosen funds perform well. It is available on eligible managed funds on the Wrap Platform.

The protection is applied to your investment for a term of your choice between approximately 5 and 10 years. It is designed to ensure that at the end of the chosen term, the amount of your investment is at least equal to the amount as at the time you commenced the protection (assuming you do not make any withdrawals and reinvest all distributions from your chosen managed funds).

4.6 + 7.7 For more details about the effect on your protection of making withdrawals or receiving distributions from your managed funds as cash.

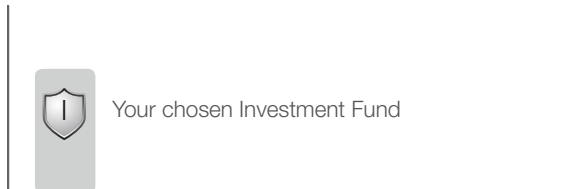


2 What is Wrap Capital Protection?

2.1 How does it work?

To explain how Wrap Capital Protection works, let's look at an example of what happens when you choose to protect your investment in an eligible managed fund on the Wrap Platform, as outlined below¹.

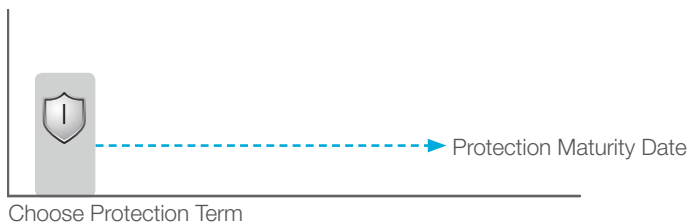
- 1 Select an eligible managed fund for protection – let's call this your **Investment Fund**.



Example:

You choose to apply protection to your \$10,000 investment in an eligible managed fund on the Wrap Platform. This can be either an existing managed fund you hold or a new managed fund you purchase with money from your Cash Account.

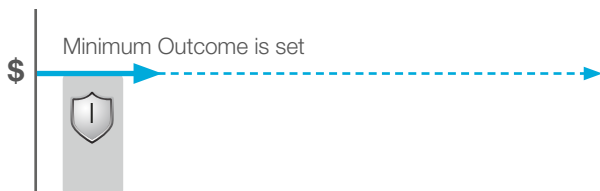
- 2 You choose your **Protection Term**



Example:

You choose to protect your \$10,000 investment for a term of approximately 7 years.

- 3 Your **Minimum Outcome** is set and you are invested in the Fund.



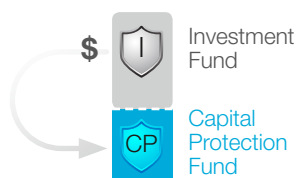
Example:

Your Minimum Outcome is set at the amount of your initial investment – \$10,000. You are also issued with an interest in the Fund at the same time.

- 4 If the unit price of your Investment Fund falls significantly*, a **Rebalancing** will happen, taking money out of your Investment Fund and placing it into the Fund.

Unit price of your Investment Fund is **falling**

\$ move from your **Investment Fund** to the **Fund**



Example:

\$2,000 is moved from your Investment Fund to the Fund.

Rebalancing into the Fund may happen at the time of your initial application for protection. See **8 Q2** for more information.

¹ Please note the illustrations are indicative and not to scale.

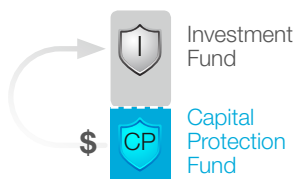
* A formula is used to determine whether any unit price movement is significant enough to trigger a Rebalance (see **8 Q7** for more details).

4
cont

If the unit price of your Investment Fund increases significantly*, a **Rebalancing** will happen, moving money out of the Fund and into your Investment Fund.

Unit price of your Investment Fund is **rising**

\$ move from the **Fund** to your **Investment Fund**

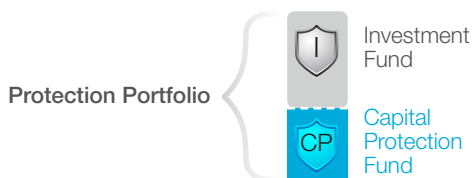


Example:

\$1,000 is moved from the Fund to your Investment Fund.

5

Your combined holdings in the Investment Fund and the Fund are referred to as your **Protection Portfolio**.

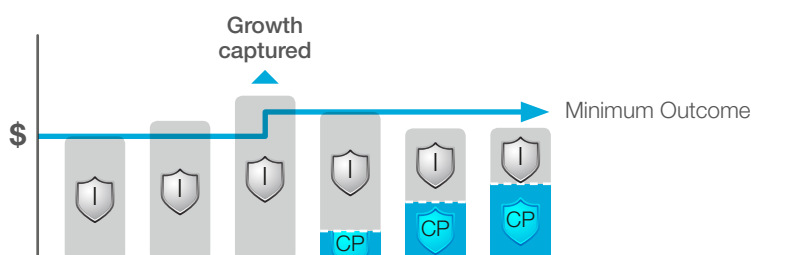


Example:

If you have \$9,000 in your Investment Fund and \$1,000 in the Fund, the total value of your holdings in your Protection Portfolio is \$10,000.

6

The Automatic Growth Capture feature can increase your Minimum Outcome on designated dates during your Protection Term.

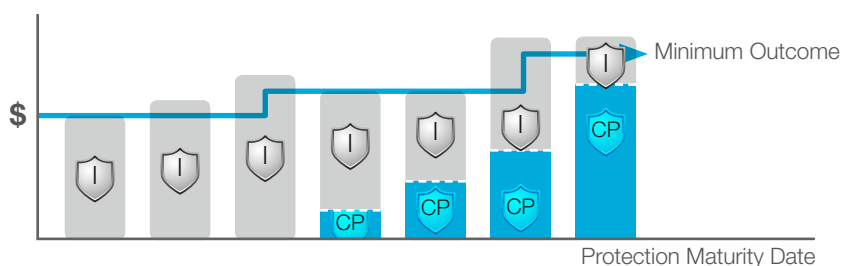


Example:

If your Protection Portfolio increases in value from \$10,000 to \$12,000 during a three month period ending on a designated date, your Minimum Outcome will increase to \$11,000, capturing 50% of the growth in the value of your Protection Portfolio.

7

Wrap Capital Protection is designed to ensure your Protection Portfolio is at least equal to your Minimum Outcome on your **Protection Maturity Date**, but the value of your Protection Portfolio may be higher than your Minimum Outcome if your Investment Fund performs well over the Protection Term.



Example:

Your Minimum Outcome is \$12,000 (after another Automatic Growth Capture) but the value of your Protection Portfolio could be \$13,000 on the Protection Maturity Date.

2 What is Wrap Capital Protection?

2.2 Key Terms

1

Investment Fund

Your Investment Fund is an eligible managed fund available on the Wrap Platform that you elect to apply protection to. This can either be an eligible managed fund you already hold in your Wrap Platform account, or a new eligible managed fund in which you wish to invest and to which you apply protection at the same time. If you elect to apply protection to your Investment Fund, your entire holding in the Investment Fund will be protected.

You cannot elect to protect only a part of your holding in any one Investment Fund. Not all of the managed funds on the Wrap Platform investment menu are eligible for the protection. Please see the website investorwrap.com.au for a list of eligible managed funds for Wrap Capital Protection. This list may change and funds may cease to be eligible in some circumstances. See 7.3 for more details.

2

Protection Term

This is the period of time you select for Wrap Capital Protection to be applied to your investment in your chosen Investment Fund. You will generally be able to select a Protection Term of between approximately 5 years and 10 years.

3

Minimum Outcome

This is the minimum dollar value that the Protection Contract is designed to ensure your Protection Portfolio is worth at the end of your Protection Term. When your protection is initially set up, your Minimum Outcome is equal to the amount of your investment (eg if you invest \$10,000 from your Wrap Platform Cash Account (called **Cash Account** in this PDS) your Minimum Outcome is set at \$10,000). The Minimum Outcome may not keep up with inflation, but it can increase if your Protection Portfolio increases in value during the Protection Term. See 2.4 for reduction of Minimum Outcome and 6.3 for inflation risk.

4

Rebalancing

From time to time during your Protection Term, some of your holding in the Investment Fund will be redeemed and invested into the Fund, and vice versa. This Rebalancing is triggered on the basis of a formula maintained by Deutsche Bank (called the **Capital Protection Formula** in this PDS). The purpose of the Rebalancing is to manage the risk of your investments in your Protection Portfolio. In order to obtain the benefits of Wrap Capital Protection, you must provide the administrator of the Wrap Platform with a standing instruction (that you agree not to change while you have protection) to Rebalance your investments between the Investment Fund and the Fund (and between classes of the Fund), as and when we require based on determinations by Deutsche Bank in accordance with the Protection Contract. If you withdraw this standing instruction, you will cease to be eligible for protection. Rebalancing transactions will have tax consequences, similar to other managed fund transactions on the Wrap Platform. See 7.1, 7.2 + 8 Q6 for more details.

5

Protection Portfolio

This refers to the sum of: (a) your holding in your Investment Fund, and (b) your corresponding holding in the Fund in respect of that particular Investment Fund. If you decide to protect two Investment Funds, then you will have two separate Protection Portfolios; one in respect of each of your Investment Funds. You can access part or all of the value of your Protection Portfolio during your Protection Term, but this will reduce or cancel your protection. Please see [3.1](#) for more details.

6

Automatic Growth Capture

This feature is designed to ensure that your Minimum Outcome has an opportunity to grow during your Protection Term, if your Protection Portfolio value increases. Based on a set formula maintained by Deutsche Bank, your Minimum Outcome will be automatically increased to capture 50% of growth in value of your Protection Portfolio ending on a designated date. This Automatic Growth Capture review will generally occur every 3 months during your Protection Term. Please see [4.3](#) for more details about this feature.

7

Protection Maturity Date

Your Protection Maturity Date is 20 August¹ in the last calendar year of your Protection Term. For example, if you commenced your protection in 2016 and you chose a Protection Term of seven years, your Protection Maturity Date (also referred to as **maturity date** in this PDS) will be 20 August 2023. On your Protection Maturity Date, your holdings in the Fund will be redeemed and paid to your Cash Account. Any holding you have in your Investment Fund on the Protection Maturity Date will remain in your account on the Wrap Platform, but will no longer be protected.

Protection Contract

This is a contract between us and Deutsche Bank under which Deutsche Bank agrees to maintain the Capital Protection Formula and make payments to us from time to time designed to ensure that the value of a Protection Portfolio is at least equal to the Minimum Outcome at the end of the Protection Term subject to certain terms and conditions. Such payments are referred to as **Protection Payments** in this PDS, and may be made during and/or at the end of your Protection Term.

[7.5](#) Protection Payments are explained in greater detail.

[7.11](#) The Protection Contract is explained in greater detail.

¹ If this date is not a Business Day in a calendar year, the maturity date will be the next Business Day. A Business Day is a day other than a Saturday, Sunday or a public holiday, on which banks are open for business in Sydney, Australia.

2 What is Wrap Capital Protection?

2.3 How is your investment protected?

Rebalancing

Wrap Capital Protection is designed to protect your investments in your chosen Investment Funds by Rebalancing your holdings between your Investment Funds and the Fund through the Wrap Platform.

The performance of each of your Protection Portfolios will be determined by the performances of both the particular Investment Fund you have chosen and the Fund.

When your Investment Fund is performing well and/or you are at an early stage of your Protection Term, up to 100% of your Protection Portfolio could be invested in your Investment Fund. On the other hand, when your Investment Fund is not performing well or as you approach the end of your Protection Term, up to 100% of your Protection Portfolio could be invested in the Fund. Interest rates can also affect the allocation between the Investment Fund and Fund. If interest rates fall, a greater proportion of your Protection Portfolio could be invested in the Fund.

The Capital Protection Formula will be used to determine whether a Rebalance is required. Deutsche Bank is to maintain and monitor the operation of the Capital Protection Formula, and notify us when the Rebalancing should occur. The administrator of the Wrap Platform will then give effect to this Rebalancing determination in accordance with your standing instruction provided to the administrator of the Wrap Platform.

The main factors that can lead to a Rebalance in accordance with the Capital Protection Formula are:

- (i) a change in your chosen Investment Fund's performance; and
- (ii) the length of time you have remaining in your Protection Term.

(a) Rebalancing based on Investment Fund's performance

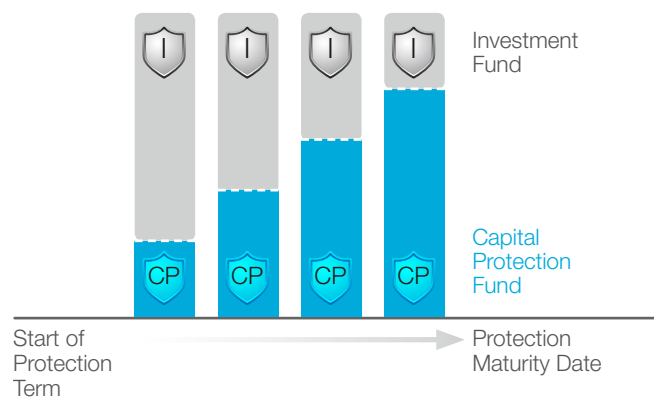
If the unit price of your chosen Investment Fund falls by a significant level (either quickly or over time as determined in accordance with the Capital Protection Formula), the administrator of the Wrap Platform will be instructed to redeem certain amounts in your Investment Fund. The proceeds of this redemption will then be used to invest in the Fund.

Conversely, if the unit price of your chosen Investment Fund increases by a significant level (again, as determined in accordance with the Capital Protection Formula), the administrator of the Wrap Platform will be required to redeem certain amounts from the Fund and invest the proceeds into your chosen Investment Fund. However, once all of your holding in the Investment Fund is Rebalanced into the Fund, there will not be any further Rebalancing transactions moving your investments back into your Investment Fund unless you take action, such as extending the Protection Term.

(b) Rebalancing based on chosen Protection Term

As you move closer to the end of your Protection Term, it may be necessary to gradually redeem a certain number of units in your chosen Investment Fund and invest the proceeds into the Fund. The Rebalancing is designed to ensure that the value of your Protection Portfolio at least equals the Minimum Outcome at the Protection Maturity Date.

If you assume that the value of your Investment Fund does not change over the Protection Term, the proportion of your Protection Portfolio allocated to the Fund will increase as you approach your Protection Maturity Date, as illustrated in the following diagram¹.



¹ Please note the illustration is indicative and not to scale.

Other factors that may also lead to a Rebalance in accordance with the Capital Protection Formula include the prevailing interest rates in the market and any changes to the fund category of your chosen Investment Fund.

Additional protection — Protection Payments

The Fund also provides an additional layer of protection. Under the Protection Contract, Deutsche Bank is required to make Protection Payments to us in certain circumstances where it is not possible to Rebalance a sufficient proportion of your holdings in your Investment Fund and invest the proceeds in the Fund in a timely manner – eg a large one day fall in the unit price of your chosen Investment Fund due to market movements.

Any Protection Payments made by Deutsche Bank will relate to a particular investor's Protection Portfolio, and when received by us, will be held for that investor. The Protection Payments will either be reinvested back into the Fund (during your Protection Term) or paid out to your Cash Account (for early cancellation or at maturity date). Protection Payments that are reinvested will be subject to any applicable buy/sell spreads (see [5](#) for more details).

The amount of such Protection Payments will be determined by Deutsche Bank, as an amount that needs to be added to the available balance of your Protection Portfolio to ensure that the value of your Protection Portfolio will be at least equal to the Minimum Outcome at the end of your Protection Term. In other words, the Protection Payment is designed to increase your holdings in the Fund to a discounted present value of the Minimum Outcome, so that the growth in your holding in the Fund will be sufficient to provide you with the Minimum Outcome at the Protection Maturity Date.

[7.5](#) For more details about Protection Payments

Different companies involved in providing Wrap Capital Protection and their roles

Wrap Capital Protection requires co-operation between different companies with their specialist expertise and technology solutions.

- > BTFM, as the responsible entity of the Fund, is responsible for all aspects of the Fund's operation including:
 - investing in cash, fixed interest securities and bond swap derivatives;
 - maintaining liquidity of the Fund; and
 - holding the benefit of the Protection Contract with Deutsche Bank for investors.
- > Deutsche Bank is responsible to BTFM, under the Protection Contract with BTFM, for:
 - maintaining the Capital Protection Formula and instructing the administrator of the Wrap Platform when Rebalancing is required; and

- providing the extra layer of protection, by way of a Protection Payment to us in case of a severe and sudden fall in the unit price of your Investment Fund due to market movements.

- > BTPS, as the administrator of the Wrap Platform, under a separate contract with us, is responsible for:
 - processing the Rebalancing transactions, in accordance with the Capital Protection Formula.

Each party is contractually obliged to perform their specific role in relation to the operation of Wrap Capital Protection. The Protection Contract outlines the consequences relating to a failure to perform these functions, including the right and limitation in making a financial claim, as explained in section [7.11](#).

2.4 Reduction of Minimum Outcome

There are circumstances when you may not receive your Minimum Outcome, or your Minimum Outcome may be reduced. This could be as a result of:

- > us not doing something we are required to do under the Protection Contract such as acting on Rebalancing instructions or making payments to Deutsche Bank. We rely on the administrator of the Wrap Platform doing these things based on your instructions to them. The administrator of the Wrap Platform can only execute Rebalancing transactions if you maintain sufficient cash in your Cash Account (see [4.6](#) and [7.7](#) for more details); or
- > you doing something to cancel or reduce your protection, such as making a withdrawal from your Protection Portfolio or failing to reinvest distributions from your Investment Fund; or
- > circumstances beyond our control and Deutsche Bank's control such as where the responsible entity of your Investment Fund fails to redeem your units in breach of that fund's constitution, resulting in a Rebalancing transaction not occurring when required; or
- > a failure by Deutsche Bank to make payments required under the Protection Contract or a failure of Westpac to meet its payment obligations in relation to Westpac cash and/or fixed interest securities (see [3.2](#) for more details); or
- > other circumstances, as outlined in section [6](#) of this PDS, where one or more of the risks identified occur.

See [7.11](#) for more details about the Protection Contract.

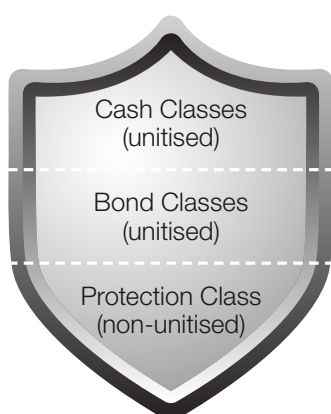
3. About the Fund

3.1 What are the Fund's investments?

We have established two types of class of interests in the Fund:

- > **Defensive Classes:** there are two types of Defensive Classes, a Cash Class and a Bond Class. Each Cash Class invests in a cash deposit account with Westpac. Each Bond Class invests in Westpac fixed interest securities and derivatives provided by Deutsche Bank AG (Frankfurt Office), which together are necessary for delivering the Minimum Outcome at the different Protection Maturity Dates. There will be separate Defensive Classes, both a Cash Class and a Bond Class for each relevant calendar year in which your Protection Term ends. Generally, you will initially be issued with units in the relevant Cash Class for your maturity date. Your holdings in the Cash Class may be Rebalanced to the corresponding Bond Class when required under the Protection Contract. Please see [3.2](#) for more information on the Defensive Classes.
- > **A Protection Class:** we hold the benefits of the Protection Contract with Deutsche Bank on investors' behalf in this class. Please see [3.3](#) for more information on the Protection Class.

BT Capital Protection Fund



Your Protection Portfolio

At any time during the Protection Term, your Protection Portfolio will typically consist of one of the following:

- > an investment in the Investment Fund only; or
- > investments in the Investment Fund and a Cash Class; or
- > an investment in a Bond Class only.

Please see [7.6](#) and [8 Q15](#) for more details.

3.2 Defensive Classes

Each Defensive Class will have a defined commencement date, soft close date and an end date (which is soon after the Protection Maturity Date). The commencement date is the date at which a Defensive Class is first made available. Generally you will not be able to establish a new Protection Portfolio after the soft close date for the relevant Defensive Classes. The end date is the date which the Defensive Class will be terminated and any proceeds returned to you.

When you select a Protection Term you may be issued with units in the relevant Cash Class for the relevant calendar year in which your Protection Term ends. The list of current Classes which are available for investment and to which this PDS relates is available at bt.com.au under the heading 'Classes Available'. A paper copy of information about the classes to which this PDS relates will be given to you on request, free of charge. From time to time we can issue new or close existing classes and information about this will be updated on our website.

Bond Class assets

The Bond Class assets will consist of fixed interest securities issued by Westpac that have a scheduled date for maturity that will occur prior to the Protection Maturity Date for each Protection Portfolio.

In seeking to provide protection it is necessary to know the returns in the Bond Class that will be achieved over the remaining period to the Protection Maturity Date for each of the Protection Terms. This may be achieved by investing in a type of security known as a “zero coupon bond”. As zero coupon bonds are not readily available, the Fund will invest in the fixed interest securities described above and will simultaneously enter into a swap arrangement with Deutsche Bank AG (Frankfurt Office). The swap arrangements (also referred to in this PDS as bond swap derivatives) are designed to effectively convert the cash flows from investing in the fixed interest securities to a cash flow that is designed to mirror a zero coupon bond return.

The swap arrangements will be supported by a collateral agreement, under which Deutsche Bank AG (Frankfurt Office) will be required to provide cash collateral which can be used to fund payments to us.

Unit prices and valuation of units

When you invest in a Defensive Class of the Fund, you are allocated a number of units. Units of each particular class represent an equal part of the value of the investments referable to that class. Each unit has a dollar value known as a unit price. Generally, unit prices are calculated on each Business Day in accordance with the Fund’s constitution.

The unit price for a class is based on the net asset value of the Fund’s assets attributed to the class less the value of the Fund’s liabilities attributed to that class at the relevant valuation time. Asset values will usually be based on closing prices, or where appropriate, other price quotes most recently available to us at the time we make the calculation.

Any discretion involved in applying the method for determining the unit price for a class is exercised in accordance with a documented policy, a copy of which is available from us free of charge on request.

Given that the unit price for a class is dependent upon the net value of the assets attributed to that class, each class will have a different unit price.

Processing times

The cut-off times outlined below are those for the Fund. The Wrap Platform administrator may have separate cut-off times.

- > Please see the relevant disclosure document for the Wrap Platform for more information on the applicable transaction cut-off times that apply to you.

If we receive a valid application or withdrawal request for units in the Fund by 4pm (Sydney time) on a Business Day, we will process the transaction using that day’s unit price. Requests received from the administrator of the Wrap Platform on or after the cut-off time of 4pm (Sydney time) on a Business Day, or on a non-Business Day, will generally be treated as having been received before the cut-off time on the next Business Day.

If we receive an invalid or incomplete application or withdrawal request, the request will be processed using the unit price applying on the Business Day that we receive the correct documentation.

We generally pay redemption proceeds within 4 Business Days. Please note that these times are a guide only and the constitution permits us to take up to 30 days to process your withdrawal request. The constitution provides that in some circumstances we may take longer to process your withdrawal.

7.12 For more details about these circumstances.

Incomplete or invalid applications cannot be accepted and will be invested in a holding account until the correct information is received. If we have not received the correct information within one month, your investment may be returned to you. We may hold the investment in the holding account for more than a month if it is not reasonably practicable to return it to you. You will not earn interest while the money remains in the holding account. Any interest earned in the holding account will be payable to us and we are not required to account to you for the interest earned.

Distributions

We generally pay distributions relating to the Defensive Classes on a quarterly basis (ie end of March, June, September and December in each calendar year). In some circumstances, we may also pay distributions at other times where we consider it appropriate, such as at the Protection Maturity Dates.

3. About the Fund

These distributions are generally assessable income and are generally calculated based on the net income of each class at the end of the distribution period divided by the number of units on issue.

The distributions will be automatically reinvested, and you will be issued with additional units. Distributions will not be paid as cash. There is no buy/sell spread on distributions that are automatically reinvested.

Reinvestment of the distributions will normally be effective the first Business Day following the end of the distribution period.

3.3 Protection Class

Interests in the Protection Class are not unitised. Instead you obtain an interest in the Protection Class for each of your Protection Portfolios. When we issue this interest in the Protection Class to you, you receive the benefit of our rights under the Protection Contract to receive Protection Payments that Deutsche Bank make to us that relate to your Protection Portfolio.

Once your application for an interest in the Fund is accepted, you will be issued with a separate interest in the Protection Class each time protection commences for an Investment Fund you have chosen. An interest in the Protection Class will be established in relation to the Protection Portfolio once Deutsche Bank confirms to us under the Protection Contract that it will provide protection in respect of your holding in that relevant Investment Fund.

Following the Protection Maturity Date or upon an early cancellation of your protection, you will cease to have an interest in the Protection Class.

The Protection Class will have one main asset – the Protection Contract with Deutsche Bank. Deutsche Bank's functions under the Protection Contract include providing or performing the following in respect of each Protection Portfolio:

- > a Protection Payment to us calculated in relation to each Protection Portfolio in the case of a severe and sudden drop in the unit price of your chosen Investment Fund due to market movements during your Protection Term;
- > maintaining and applying the Capital Protection Formula which triggers Rebalancing transactions; and
- > communicating and sending Rebalancing determinations to the administrator of the Wrap Platform.

We will hold the full amount of Protection Payments we receive from Deutsche Bank for the relevant investor, but we will not use any other assets to meet this requirement if Deutsche Bank fails to make these Protection Payments to us. Deutsche Bank is required to make these Protection Payments to us under the Protection Contract in accordance with the terms of that contract. You do not have a contract with Deutsche Bank, and hence you cannot make any claim directly against Deutsche Bank under the Protection Contract in relation to these Protection Payments or otherwise. Only we can enforce the Protection Contract.

7.11 For more details about the Protection Contract.

3.4 Applying for an interest in the Fund

You (or your adviser) can apply for an interest in the Fund through the Wrap Platform. All you need to do is:

- > select the eligible Investment Fund and obtain the Product Disclosure Statement (or other disclosure document) for your Investment Fund and this PDS;
- > read the documents carefully. Remember, you don't need to complete the application form contained in those disclosure documents; and
- > provide a completed Transaction Form to your adviser.

Your protection will become effective when your application is accepted – ie at the time when Deutsche Bank confirms to us that the Protection Portfolio has been established. You bear the investment risk prior to the protection becoming effective, when you apply for protection in relation to settled units that you already hold through the Wrap Platform.

7.12 + 8 Q3 For more details about application and application processing times.

3.5 Other details about this Fund

Defensive Classes Performance

For up-to-date information on the performance of each class, including performance history, please visit bt.com.au.

Labour, Environmental, Social and Ethical Considerations

We do not take labour standards or environmental, social or ethical considerations into account when making investment decisions.

Changes to Fund Details

We have the right to close or terminate the Fund and change the Fund's investment objective, asset classes and asset allocation ranges. However, we will not exercise these discretions unless it is in the best interests of members as a whole to do so.

4. Using Wrap Capital Protection

4.1 Initial application

You can:

- (a) apply protection to units in Investment Funds that you already hold on the Wrap Platform (ie units that are settled; and/or
- (b) choose to purchase units in an Investment Fund that you do not already hold on the Wrap Platform and apply protection to the value of that investment at the same time.

If you elect to apply protection to your holding in an Investment Fund, you must protect all of your holding in the selected Investment Fund. You cannot elect to protect only a part of your holding in that Investment Fund. Not all of the managed funds on the Wrap Platform investment menu are eligible for Wrap Capital Protection. Please see the website investorwrap.com.au for a list of managed funds eligible for Wrap Capital Protection or speak to your adviser.

(a) Protecting your holdings in Investment Funds you already hold on the Wrap Platform

You can apply protection over Investment Fund units you currently hold through the Wrap Platform. You should ensure that your holding of all units in that Investment Fund are settled at the time of application for protection.

The Capital Protection Formula may apply to this initial application process, meaning some of your units may be sold to purchase units in the Fund, when your application for protection is accepted.

2.3 For an explanation of the Capital Protection Formula

8 Q2 For more details about the portion of your investments in your Protection Portfolio that will be invested in the Fund when your initial application for protection is accepted.

Typically, your initial Minimum Outcome will be the amount of your existing Investment Fund holding based on the unit price (or a proxy unit price determined by Deutsche Bank if the relevant unit pricing information is not available) at the time your application for protection is accepted.

(b) Applying protection at the same time as purchasing units in an Investment Fund on the Wrap Platform

By using money in your Cash Account, you can make an application to purchase units in your chosen Investment Fund and apply to protect that investment, at the same time.

Your initial investment may be split to purchase units in both your chosen Investment Fund and the Fund.

8 Q2 For more details about the proportion of your investment that will be invested in the Fund when your initial application is accepted.

In addition, money from your Cash Account may be used to purchase units in your chosen Investment Fund as smaller transactions over approximately 3-7 Business Days (depending on settlement timeframes), in order to manage the risk of a severe and sudden fall in the unit price of your Investment Fund during the settlement period. However, any transaction fee on the Wrap Platform (if applicable) will be charged only once.

Typically, your initial Minimum Outcome will be the amount you invest from the Cash Account.

When there is no relevant unit pricing information from the underlying fund manager (for example we have not received a unit price from the underlying fund manager or during a distribution period) the smaller transactions relating to your initial investment may take longer than the 3-7 Business Days.

Selecting a Protection Maturity Date

At the time of your application, you must select the date when your Protection Term will end. This date is the Protection Maturity Date. Generally, you will be able to select a maturity date that falls on 20 August¹ in a calendar year that is approximately 5 to 10 years from the time of your application. There will generally be one maturity date available per calendar year.

Selecting a Distribution Option in relation to your Investment Fund

When you apply for protection, you should consider how you wish to receive the distributions from your chosen Investment Fund (ie, either reinvest or receive in cash).

The default option is to reinvest the distributions into the relevant Investment Fund.

Note that distributions paid in cash (into your Cash Account) before the maturity date will be treated as partial withdrawals from your Protection Portfolio and hence reduce your Minimum Outcome.

4.6 For more information about partial withdrawals reducing your Minimum Outcome.

4.2 Additional investments to your Protection Portfolio

You can generally make additional investments to your Protection Portfolio during the Protection Term. Additional investments to your Protection Portfolio may be split (as determined by the Capital Protection Formula) between your chosen Investment Fund and the Fund.

Furthermore, your additional investments into your chosen Investment Fund may occur as smaller transactions over approximately 3-7 Business Days (depending on settlement timeframes), in order to manage the risk of a severe and sudden fall in the unit price of the Investment Fund during the settlement period. However, any transaction fee on the Wrap Platform (if applicable) will be charged only once.

When there is no relevant unit pricing information from the underlying fund manager (for example we have not received a unit price from the underlying fund manager or during a distribution period) the smaller transactions relating to your additional investment may take longer than the 3-7 Business Days.

When your additional investment application is accepted, your Minimum Outcome will increase, on a dollar for dollar basis.

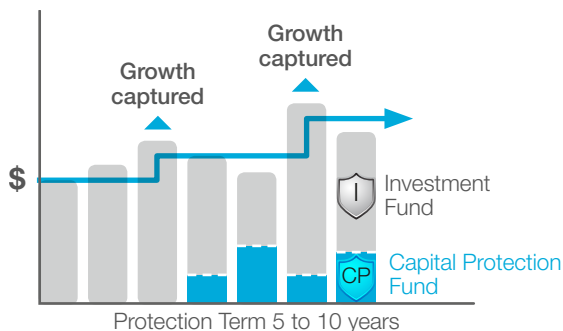
For example, if you have \$110,000 as the value of your Protection Portfolio, with \$100,000 as the Minimum Outcome, and make an additional investment of \$20,000, your Minimum Outcome will increase by \$20,000 to \$120,000.

¹ If this date is not a Business Day in a calendar year, the maturity date will be the next Business Day.

4. Using Wrap Capital Protection

4.3 Automatic Growth Capture every three months

The Automatic Growth Capture is a feature that is designed to ensure that your Minimum Outcome has an opportunity to grow during your Protection Term, if your Protection Portfolio value increases.



Please note the illustration above is indicative and not to scale.

During your Protection Term, a set formula will be applied that is designed to increase your Minimum Outcome by 50% of any growth in the value of your Protection Portfolio – at the designated date (see the example later in this section). If, instead, 100% of growth was captured, you would be more likely to experience Rebalancing transactions into the Fund during the Protection Term and, therefore, you would be less likely to enjoy the benefits of growth in your chosen Investment Funds.

The Automatic Growth Capture review will generally occur every 3 months on the following dates¹ each calendar year:

- > 20 February.
- > 20 May.
- > 20 August.
- > 20 November.

Note: When there is no relevant unit pricing information from the underlying fund manager relating to your Protection Portfolio, the Automatic Growth Capture will be calculated using a proxy unit price determined by Deutsche Bank.

¹ If this date is not a Business Day in a calendar year, the maturity date will be the next Business Day.

The set formula (maintained by Deutsche Bank) for determining whether your Minimum Outcome will be increased is outlined as follows.

Q1	Is the value of your Protection Portfolio higher than your Minimum Outcome on a scheduled review date?	If, yes	Go to Q2
		If, no	No increase to your Minimum Outcome
Q2	Is the value of your Protection Portfolio on this review date higher than it has been on (a) any previous scheduled review dates, (b) the protection commencement date, or (c) the date when the last ad-hoc increase to your Minimum Outcome occurred (please see the sub-section 'Ad-hoc increase to Minimum Outcome' later in this section)?	If, yes	Go to Q3
		If, no	No increase to your Minimum Outcome
Q3	What is the difference between the value of your Protection Portfolio on this review date and the highest value of your Protection Portfolio on any of dates referred to in Q2 (a), (b) or (c)*?	Calculate 50% of the difference in these two values	Your Minimum Outcome will be increased by an amount that equals 50% of the difference in these two values

* The highest value on one of these dates is referred to as your **Growth Capture Threshold** in this PDS.

Here is an example of how the Automatic Growth Capture feature can increase your Minimum Outcome.

- > On 3 December, you chose to invest \$50,000 in your Investment Fund and placed Wrap Capital Protection over your holdings in that Investment Fund.
- > Your Protection Portfolio was split as follows; \$45,000 in your Investment Fund and \$5,000 in the Fund. Your Minimum Outcome was set at \$50,000.
- > At 20 February, the value of your Protection Portfolio has increased to \$51,000 (made up of \$46,000 in your Investment Fund and \$5,000 in the Fund). In this case, the Minimum Outcome will be automatically increased, as shown below.
 - As this is the first review date since your protection commenced, your Growth Capture Threshold is the original Protection Portfolio value of \$50,000.
 - The difference between the value of your Protection Portfolio on 20 February (\$51,000) and the Growth Capture Threshold (\$50,000) is \$1,000.

— 50% of this difference is \$500.

— Therefore, \$500 is added to your existing Minimum Outcome of \$50,000, resulting in a new Minimum Outcome of \$50,500.

As described in the example above, the Automatic Growth Capture feature involves an assessment of the value of your Protection Portfolio at the end of each 3 month period on the designated dates. Hence, it will not capture any rise in the value of your Protection Portfolio during each period, but only at the end of those periods.

Please also note that you may experience a Rebalancing out of your Investment Fund and into the Fund, as a result of the Automatic Growth Capture feature, depending on the size of the increase to your Minimum Outcome.

4. Using Wrap Capital Protection

4.4 Ad-hoc increase to Minimum Outcome

During your Protection Term, you can request, on an ad-hoc basis, to increase your Minimum Outcome to the value of your Protection Portfolio at the time your request is accepted.

You might consider using this feature, if the value of your Protection Portfolio has increased significantly in comparison to your Minimum Outcome, and you want to capture and protect this growth.

Please note that by requesting to increase your Minimum Outcome, you may trigger a Rebalancing out of your Investment Fund and in the Fund, depending on the size of the increase to your Minimum Outcome.

There are times when we may not be able to process your request to increase your Minimum Outcome. These include:

- > where your Investment Fund is not accepting any withdrawal requests; or
- > within 10 Business Days before your Protection Maturity Date.

Note: When there is no relevant unit pricing information from the underlying fund manager relating to your Protection Portfolio, an ad-hoc increase to your Minimum Outcome will be calculated using a proxy unit price determined by Deutsche Bank.

4.5 Term extension

During your Protection Term, you can request an extension to your Protection Term by choosing a new Protection Maturity Date that is later than your current maturity date. Generally, you will be able to select a new maturity date in a calendar year up to approximately 10 years in the future, subject to acceptance by us and Deutsche Bank.

An extension of your Protection Term will not affect your Minimum Outcome, however, your holding in the Defensive Class (matching your current maturity date) within the Fund will be redeemed and the proceeds will be invested into another Defensive Class (matching your requested new maturity date). In addition, a Rebalancing may occur, transferring money out of the Fund into your Investment Fund.

Note: If there are pending trades (ie unsettled units) in your Protection Portfolio, your term extension request will be executed after those pending trades are settled.

4.6 Partial Withdrawals

You can generally make partial withdrawals from your Protection Portfolio during your Protection Term. Partial withdrawals will reduce your Minimum Outcome. Typically, your partial withdrawal request will be split between your chosen Investment Fund and the Fund unless Rebalancing is required at the same time.

Note: If there are pending trades (ie unsettled units) in your Protection Portfolio, your partial withdrawal request will be executed after those pending trades are settled.

If you request to withdraw more than 95% of the value of your Protection Portfolio, your request will not be accepted. You may want to make a full withdrawal from your Protection Portfolio, in which case your protection will be cancelled.

When your request for a partial withdrawal is accepted, your Minimum Outcome will be reduced on a proportional basis. For example, if the value of your Protection Portfolio is \$150,000, with \$120,000 as the Minimum Outcome, and you make a partial withdrawal of \$30,000, your Minimum Outcome will decrease by 20% (ie $\$30,000/\$150,000$) to \$96,000.

Note: When a unit price relating to your Protection Portfolio is not known at the time of processing your partial withdrawal request, a proxy unit price determined by Deutsche Bank will be used to calculate the decrease in the Minimum Outcome.

4.7 Cancelling protection and full withdrawals

You can cancel the protection over your chosen Investment Funds before the Protection Maturity Date, by simply notifying the administrator of the Wrap Platform.

Once your cancellation request has been accepted, your chosen Investment Fund will become unprotected; this means your holding in the Investment Fund at the time of cancellation will remain in your Wrap Platform account and will not be redeemed. Your holding in the Fund, on the other hand, will be redeemed and the proceeds will be paid into your Cash Account.

You can also withdraw from your Protection Portfolio in full by redeeming your entire holdings in your Investment Fund and the corresponding holding in the Fund. This will result in all the proceeds from your redemptions being paid to your Cash Account. This will also cancel your protection in relation to that Protection Portfolio.

Note: If there are pending trades (ie unsettled units) within your Protection Portfolio, your cancellation or full withdrawal request will be executed after those pending trades are settled.

It is important to note that, if you cancel your protection before the maturity date, the value of your Protection Portfolio at the time of cancellation (including any Protection Payments received afterwards) may be lower than your Minimum Outcome.

If your Protection Portfolio value drops significantly on the day you request cancellation of your protection, or full withdrawal from your Protection Portfolio, should a Protection Payment be required under the Protection Contract, we will receive the Protection Payment after the cancellation or full withdrawal is processed and deposit this into your Cash Account.

4. Using Wrap Capital Protection

Please note that your protection may also be cancelled upon the occurrence of one of the following events:

- > you fail to pay the issuer fee and the protection acquisition costs as outlined in **5** Fees and other costs, as and when they are due and payable, for whatever reason. If the fees and costs are overdue, you or your adviser will be notified. The time to pay these amounts will be specified in the notice provided to you or your adviser. If we don't receive your payment within that time, your protection will be cancelled;

- > you fail to comply with the relevant terms and conditions set out in this PDS, the IDPS Guide and/or product disclosure statement for the Wrap Platform, such as a failure to provide, or withdrawal of, standing instructions (which you agree not to vary while you have protection) to the administrator of the Wrap Platform to allow them to process the Rebalancing transactions;
- > on your Protection Maturity Date; and
- > when we are notified of your death (see **7.10** for more details).

7.11 For more details about the Protection Contract.

5. Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your Fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

To find out more

To find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of Fund as a whole. Tax information is set out in another part of this document.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment by you	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable

5. Fees and other costs

Type of fee or cost	Amount	How and when paid
Management Costs – The fees and costs for managing your investment		
Issuer fee (also called Protection issuer fee)	0.50% pa of the value of each Protection Portfolio.	<p>The issuer fee is calculated on the value of each Protection Portfolio, which is the sum of the value of your chosen Investment Fund and the value of the corresponding units in the Fund. The value of each Protection Portfolio is calculated using the average of the opening and the closing balance for each month or part of a month. A nil balance in the month of exit from the Wrap Platform is excluded for the purpose of this calculation.¹</p> <p>The issuer fee is calculated and is payable each month, and is deducted directly from your Cash Account.</p> <p>The issuer fee is not deducted from the assets of the Fund.</p>
Protection acquisition cost		You pay the protection acquisition cost as consideration for the issue of an interest in the Protection Class within the Fund. The protection acquisition cost is deducted directly from your Cash Account. We pay the entire amount of the protection acquisition cost to Deutsche Bank. This is not retained by us.
	0.70% pa of the value of each Protection Portfolio.	The monthly protection acquisition cost is calculated on the value of each Protection Portfolio, which is the sum of the value of your chosen Investment Fund and the value of the corresponding units in the Fund and is payable each month. The value of each Protection Portfolio is calculated using the average of the opening and the closing balance of each month or part of a month. A nil balance in the month of exit from the Wrap Platform is excluded for the purpose of this calculation. ¹
	Not possible to provide an amount²	An incidental protection acquisition cost may be payable in the unlikely event that a Protection Payment is made whilst there are unsettled units in your Investment Fund.
Service fees		
Switching fee The fee for changing investment options	Nil	Not applicable

¹ In circumstances where you are able to change your Investment Fund during your Protection Term, the value of your Protection Portfolio will be calculated as if you exited the Wrap Platform and restarted the protection.

² The amount of the incidental protection acquisition cost will be the lesser of the settlement proceeds of your units in the Investment Fund (including any pending distributions) and the Protection Payment you received. We pass this amount in full to Deutsche Bank, effectively returning some or all of the Protection Payment received.

Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for this managed investment product can affect your investment over a one-year period. You can use this table to compare this product with other managed investment products.

EXAMPLE		Balance of \$50,000 with a contribution of \$5,000 ¹ during year
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	0.50% + 0.70% =1.20% pa	And , for every \$50,000 you have in the Protection Portfolio, you will be charged \$600 each year. ²
EQUALS Cost of Fund		If you had an investment of \$50,000 in the Protection Portfolio, at the beginning and end of the year and you put in an additional \$5,000 into your Protection Portfolio during that year, you would be charged fees of: \$600³ What it costs you will depend on fees you negotiate.

1. This amount is prescribed by legislation. The example above assumes that the \$50,000 is invested for the entire year, the value of the investment is constant over the year and the additional \$5,000 is invested at the end of the year. Therefore management costs are calculated using the \$50,000 balance only.
2. Separate management costs may be charged by the manager of the Investment Fund within your Protection Portfolio.
3. Note that this amount will vary depending on the movement in the value of the Protection Portfolio throughout the year. Additional fees may apply. Please note that this example does not capture all the fees and costs described in the section 'Additional explanation of fees and costs' below, such as the buy-sell spread and costs in relation to the Wrap Platform.

Additional explanation of fees and costs

Increases to issuer fee and protection acquisition cost

The maximum issuer fee allowable under the Fund's constitution is 5% pa of the value of the Protection Portfolio. The constitution for the Fund allows us to alter the issuer fee at our discretion within this maximum. If the issuer fee is to be increased, we will give 30 days prior written notice, or other notice as required by law. The amount of the protection acquisition cost payable is described in the Protection Contract with Deutsche Bank. We will notify any changes to the protection acquisition cost as required by law. The Protection Contract does not specify a maximum amount relating to the protection acquisition cost which is payable by us.

Incidental protection acquisition cost

In the unlikely event it is required to Rebalance fully into the Fund and the settlement of your units in the Investment Fund takes more than 11 Business Days, Deutsche Bank may make a Protection Payment before those units are settled. After the units settle, some or all of the Protection Payment you received will be returned via the payment of an incidental protection acquisition cost. This amount will be the lesser of the settlement proceeds of your units in the Investment Fund (including any pending distributions) and the Protection Payment you received. We pass this amount in full to Deutsche Bank (see [7.6](#) for more details).

Expense recoveries

We are also entitled to be reimbursed for expenses we incur in the proper performance of our duties and in connection with the day-to-day operation of the Fund. At the date of this PDS, we do not recover such expenses from the Fund and instead recover such expenses out of our issuer fee at no additional cost to you. However, if we decide to separately recover expenses in addition to the issuer fee in the future, we will give 30 days prior written notice or other notice as required by law.

5. Fees and other costs

Transactional and operational costs

The purchase and sale of the underlying assets of the Fund give rise to transactional and operational costs. These costs are charged outside of the management costs and relate to the transactional and operational costs attributable to the Fund, e.g. brokerage cost and stamp duty. The Fund recoups these costs through the buy/sell spread.

There is no buy/sell spread in relation to the Cash Classes.

For Bond Classes, the Fund may incur costs for transacting fixed interest securities issued by Westpac and bond swap derivatives with Deutsche Bank AG (Frankfurt Office). We estimate these costs to be 0.01% of the Net Asset Value (NAV) of the Fund for the year ended 30 June 2016. These costs are recouped through the buy/sell spreads for the Bond Classes which a unit holder buying or selling units in Bond Classes may be charged.

The buy/sell spread has two components:

- > an amount added as part of the calculation of the application price, payable when you acquire an investment; and
- > an amount subtracted as part of the calculation of the redemption price, payable when you dispose of your investment.

For example, if the application price is \$1.00 and the redemption price is \$0.995, the buy/sell spread you would incur if you invested \$10,000 in units and immediately redeemed those units would be \$50, or 0.50% of the total of your investment.

The buy/sell spread is an additional cost to you. The buy/sell spread is not paid to us but is paid to the Fund to ensure other unit holders are not disadvantaged by the trading activity.

As at the date of the PDS, the buy/sell spreads for the Bond Classes range between 0% and 0.90%. Generally, the buy/sell spread becomes smaller as you approach the maturity date. The current buy/sell spread for each class is available at bt.com.au under the heading 'Buy/Sell Spreads'. The buy/sell spreads are reviewed on a periodic basis and may be varied at any time and will be updated on our website. A paper copy of this buy/sell spread information will be given to you on request, free of charge.

Taxes

Unless otherwise stated, all fees and costs quoted in this PDS are inclusive of the net effect of Goods and Services Tax.

7.2 For information regarding taxes relevant to your investment in the Fund.

Other fees and costs

As you are accessing the Fund through the Wrap Platform, additional fees and costs (eg transaction costs) will apply relating to the Wrap Platform, including fees that may be paid to your financial adviser. Additional fees and costs will also be payable for your chosen Investment Funds.

- > For more information, please see the relevant disclosure documents for the Wrap Platform and your Investment Funds

Government fees, duties and bank charges may also apply to investments, withdrawals and transfers of units in your Investment Fund.

Alternative forms of remuneration

We may provide remuneration to financial advisers indirectly by paying them additional amounts (such as marketing support payments) and/or non-monetary benefits (such as business and technical support, professional development, conferences, etc). If these amounts or benefits are provided, they are payable out of the fees and costs we are entitled to receive and are not an additional cost to you.

6. Risks of investing in the Fund

All investment and protection products carry risks.

The likely investment return and the risk of losing money is different for each managed fund as different strategies carry different levels of risk depending on the underlying mix of assets that make up each fund.

Those assets with potentially the highest long term return (such as shares) may also have the highest risk of losing money in the shorter term.

The significant risks for the Fund and Wrap Capital Protection are outlined below.

6.1 Credit risks

By acquiring an interest in the Fund, you are exposed to the credit or counter party risk associated with both Westpac and Deutsche Bank.

Credit risk to Westpac

In respect to your interest in the Defensive Classes of the Fund, you are exposed to credit risk of Westpac in relation to the cash deposit account and the fixed interest securities issued by them. The risk is that Westpac may not be able to repay the money or meet their bank deposit obligations as and when they are required to do so.

Credit risk to Deutsche Bank

In respect to your interest in the Protection Class of the Fund, you are exposed to a risk that Deutsche Bank may not be able to honour the promises they made to us under the Protection Contract, such as making the Protection Payments as and when they are required to do so.

6.2 Operational risks

You are exposed to a risk that our risk and compliance policies, and/or information technology will not operate effectively and efficiently, which may have an adverse impact on your investments in the Fund, including your protection.

You are also exposed to the risk that the administrator of the Wrap Platform and/or Deutsche Bank will not be able to fulfill their obligations under the Protection Contract, due to administrative and operational issues, which can adversely impact your protection.

Transaction execution risk

If there is a delay or failure in placing or processing transactions in relation to Wrap Capital Protection which is not caused directly by us, the administrator of the Wrap Platform or Deutsche Bank, the amount of the delayed/failed transaction will be deemed as a partial withdrawal from your Protection Portfolio and your Minimum Outcome will be reduced on a proportional basis as explained in [4.6](#).

For example, a situation may arise in which a Rebalancing is required under the Capital Protection Formula, and the administrator of the Wrap Platform redeems a portion of your holding in the Investment Fund. Subsequently, you (or your adviser) make a withdrawal from your Cash Account using some or all of the proceeds from the redemption of units of the Investment Fund, and, therefore, the investment into the Fund determined necessary by Deutsche Bank fails. In this situation, some or all of the redemption proceeds will be deemed as a partial withdrawal from your Protection Portfolio and the Minimum Outcome will be reduced accordingly.

6. Risks of investing in the Fund

A situation may also arise in which, after being instructed that a Rebalancing is required, the administrator of the Wrap Platform places a transaction with the responsible entity of the relevant Investment Fund, but that responsible entity fails to process that transaction in accordance with the Investment Fund's constitution. If a Protection Payment is subsequently required to be made in relation to that Protection Portfolio, the Protection Payment we receive will be reduced by Deutsche Bank to take into account the responsible entity's failure to process the transaction. If such a situation arises, there is a risk that your Minimum Outcome will not be reached as at the relevant Protection Maturity Date. In these circumstances, you and the administrator of the Wrap Platform may still have the benefit of a claim against the responsible entity of the Investment Fund.

It is important to note that we, as the responsible entity of the Fund, do not provide any guarantee that you will receive your Minimum Outcome or any guarantee that relates to credit risks associated with either underlying Westpac deposits and fixed interest securities or Deutsche Bank. We are only obliged to hold any payments we receive from them (subject to tax and other expenses we are allowed to take into account under the Fund's constitution).

If Deutsche Bank fails to make Protection Payments to us under the Protection Contract, we will not use any other assets to make any payments or otherwise be responsible for making up any shortfalls. You do not have a contract with Deutsche Bank and are not a party to the Protection Contract. Accordingly, you cannot enforce the Protection Contract against Deutsche Bank in relation to these Protection Payments or otherwise. Only we can enforce the Protection Contract against Deutsche Bank.

6.3 Product risks

Inflation risk

Inflation can significantly reduce the value of your Protection Portfolio in real terms – ie the purchasing power of money may be reduced over the Protection Term. A possible outcome is that you may only receive back the initial amount you invested, without any return on investment, and the real value or spending power of that money could be considerably less than that at the time of your investment.

7.1 For more details.

Impact of fees and taxes

Your Minimum Outcome does not take into account the issuer fee, protection acquisition cost and other fees and taxes (eg capital gains tax arising from Rebalancing transactions) involved with the Fund and the Wrap Platform.

7.1 For more details.

Interest rate risk

If interest rates or yields on fixed interest securities change during your Protection Term, it may be necessary to Rebalance your Protection Portfolio. Such a Rebalance could occur even if the value of your Investment Fund is increasing. For example, if yields fall, a Rebalancing transaction may occur from your Investment Fund to the Fund, reducing your level of exposure to the Investment Fund.

Risk of reduced access to Investment Fund returns

By obtaining protection, it is likely that you will have reduced exposure to your chosen Investment Fund throughout the Protection Term due to Rebalancing into the Fund. If this is the case, you will not receive the full benefit of positive returns relating to your Investment Fund. If your Protection Portfolio is allocated entirely to the Fund, you will not receive any returns relating to your Investment Fund.

Transaction timing

The effect of the Capital Protection Formula is that you may be required to sell units in your Investment Fund in falling markets to invest in the Defensive Classes of the Fund. This may be beneficial if markets continue to fall, but it could also reduce your opportunity to benefit from a rebound in markets.

6.4 Market and asset risks

Market risk

This is a risk that the market price of an asset (eg, a bond) will fluctuate as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events and environmental and technological issues.

Market risk may have different impacts on each type of asset, investment style and investor.

Asset specific risk

This is a risk associated with an individual asset. For example, the value of a bond can be affected by specific events such as changes in the perceived or actual credit worthiness of a particular issuer.

Derivative risk

The Fund uses certain derivatives to replicate certain types of bonds necessary for delivering the Minimum Outcome at the different Protection Maturity Dates.

Risks associated with derivatives include the value of the derivatives failing to move in line with the underlying asset, issues associated with the management of the assets backing a derivative so the Fund may not be able to meet payment obligations as they arise, and counter-party risk (where the counter-party to the derivative contract cannot meet its obligations under the contract).

In relation to the bond swap derivative, the Fund is exposed to counter party risk (Deutsche Bank AG (Frankfurt Office) at the time of this PDS), but this risk is being mitigated by requiring cash collateral on a daily basis.

3.2 For more details.

Risks can be managed, but they cannot be completely eliminated. It is important to understand that:

- > the value of your investment will go up and down;
- > investment returns may vary and future returns may be different from past returns;
- > there is always a chance that you may lose money on any investment you make; and
- > laws affecting your investment in a managed fund may change over time.

The appropriate level of risk for you will depend on your age, investment time frame, where other parts of your wealth are invested and how comfortable you are with the possibility of losing some of your money in some years.

7. Other important information

7.1 Things you need to know about the Minimum Outcome and deduction of fees/taxes from your Cash Account

Minimum Outcome: It is possible that you may end up with a Minimum Outcome at the end of your Protection Term that is the same dollar amount as your initial investment amount. In such a case, inflation may have significantly reduced the value of your Protection Portfolio in real terms – ie the purchasing power of your money has been reduced over the Protection Term. However, this situation will most likely eventuate when there is a gradual or a sudden and severe market movement during the Protection Term, and in such a situation, it is likely that you may have lost a part of your initial investment in the Investment Fund over the same period, if you didn't have Wrap Capital Protection.

In hindsight, you would have been better off investing in cash or a term deposit over the same period, but that is the opportunity cost involved with obtaining Wrap Capital Protection, which gives you an exposure to growth opportunities.

Deduction of fees/taxes from your Cash Account:

By deducting the issuer fee and protection acquisition cost directly from your Cash Account, instead of deducting from the Fund assets, you will obtain more exposure to your Investment Fund during the Protection Term, providing more opportunities to obtain growth when your Investment Fund performs well. However, this also means that your Minimum Outcome does not take into account the issuer fee, protection acquisition cost, and other taxes (eg capital gains tax arising from Rebalancing transactions) involved with the Fund and the Wrap Platform.

Your adviser can provide you with more information about these features of Wrap Capital Protection and help you decide if Wrap Capital Protection is suitable for you.

7.2 + 8 Q6 For more details about tax consequences.

7.2 How the Fund is taxed

Investing in the Fund is likely to affect your current or future tax position. For those investing in the Fund through Wrap (including Wrap Essentials), your share of the distributions made by the Fund each financial year becomes part of your assessable income. Managed funds don't pay the tax liability on behalf of investors. You may also be subject to Capital Gains Tax (**CGT**) on the disposal of your investment in the Fund. For those investing in the Fund through SuperWrap (including SuperWrap Essentials), SuperWrap will be subject to tax on the distributions and capital gains in respect of the Fund. Please see the relevant disclosure documents for SuperWrap for details of how tax is allocated to you.

The Australian taxation system is complex and different investors have different circumstances. We recommend you seek professional tax advice before investing in the Fund. Investing in the Fund may also affect your entitlement to pension or other social security benefits. We suggest you seek advice from your financial adviser or Centrelink.

The following information is a general summary only and shouldn't be relied upon as a complete statement of all relevant laws. This information is current as at the date of this PDS. This information is provided as a general overview of how these laws apply to you; however the application of these laws depends on your individual circumstances. This information applies to Australian resident investors unless otherwise specified.

Tax position of the Fund

The Fund generally distributes all taxable income, including net capital gains, to investors each financial year. This means that under existing Australian tax legislation, the Fund is not liable for income tax. If for any reason there is income to which no investor is presently entitled to, the Fund will be taxed at the highest marginal tax rate in respect of this income.

Taxation of investors in the Fund

For those investing in the Fund through Wrap, your share of the distributions made by the Fund each financial year becomes part of your assessable income. This is the case regardless of whether the income is paid to you or reinvested, or if the income is received by you in the next financial year.

Distributions comprised of assessable amounts should be included in your taxable income for the financial year to which the distribution relates. The tax you pay will depend on the composition of the distribution.

Distribution may comprise of:

- > assessable income, such as dividends and interest;
- > net capital gains;
- > tax credits, such as franking credits attached to dividend income and credits for tax paid on foreign income;
- > non-assessable income which may not need to be included in your tax return but will generally reduce the cost base of your investments for CGT purposes.

Details of the tax composition of distributions will be provided annually in the tax statements issued by the administrator of the Wrap Platform. If franking credits or foreign tax offsets are distributed you should determine your eligibility to claim these credits based on your individual circumstances. More information will be provided in the Wrap tax statement guides.

For those investing in the Fund through SuperWrap, any tax payable on distributions or capital gains in respect of the Fund is paid by SuperWrap. See the disclosure document for SuperWrap for more details of how tax is allocated to you.

Acquisition and disposal of interests in the Fund

For those investing in the Fund through Wrap, under the CGT provisions, when you dispose of your interests, whether by withdrawal, transferring or switching, you must include any realised capital gains or losses on the disposal of interests in the calculation of your net capital gain for the financial year. This net capital gain should be included in your assessable income. Where capital gains are distributed or you have a capital gain on the disposal of investments, it may be possible for you to offset such realised capital gains against any realised capital losses you may have incurred on the disposal of your interests in the Fund, or other investments. Realised capital losses may be carried forward to offset realised capital gains in future years.

Individuals, trusts and complying superannuation entities may be entitled to the CGT discount when disposing of interests that have been held for at least 12 months. The CGT discount is 50% for individuals and trusts, and 33⅓% for complying superannuation entities.

Certain investors (eg share traders) may be liable to pay tax on any gains made on the disposal of interests as ordinary income and therefore won't be entitled to any discount on the gain.

Details of your realised capital gains will be included in the annual CGT statement sent by the administrator of the Wrap Platform to you after the end of the financial year.

7. Other important information

For those investing in the Fund through SuperWrap, any tax payable on capital gains in respect of the Fund is paid by SuperWrap. Please see the disclosure document for SuperWrap for details about how tax is allocated to you.

Tax information relating to the Protection Payments and protection acquisition cost is set out in **7.5**.

Non-resident investors

If you're not an Australian resident for tax purposes, there may be withholding tax from the distributions of the Fund paid to you for the year.

The applicable rate of tax will vary depending on a number of factors, including the type of distribution and your country of residence for tax purposes.

Attribution Managed Investment Trust (AMIT)

On 5 May 2016, a new tax regime applying to Managed Investment Trusts was enacted. The new regime allows managed funds that meet certain requirements to make an irrevocable choice to be an 'attribution managed investment trust'.

Broadly, an AMIT attributes its taxable income to investors on a fair and reasonable basis, having regard to the investors' rights under the constituent documents. The AMIT should generally not be subject to income tax. Income attributed to you may form part of your assessable income regardless of whether the income is distributed to you in cash.

Income attributed to you that is not distributed in cash will generally increase the cost base of your units in the AMIT.

For each year ending 30 June, the administrator of the Wrap Platform will send to you information regarding member components of assessable income, capital gains, tax credits and any other relevant tax information to be included in your tax return.

If you're not an Australian resident for tax purposes, an AMIT may withhold tax on income attributed to you for the year regardless of whether the income is distributed to you in cash.

If the Fund elects to be an AMIT, it will do so with effect from 1 July 2017 at the earliest.

7.3 Eligible managed funds for Wrap Capital Protection

The list of eligible managed funds includes some of the most widely used managed funds on the Wrap Platform, and is not confined to index style passively managed funds, but includes actively managed funds.

Please see the website investorwrap.com.au for a list of eligible managed funds for Wrap Capital Protection. You may request a paper copy of this list free of charge at any time. We may add or remove managed funds from this list at any time and without notice.

The list will be reviewed from time to time to ensure that investors have a meaningful choice and to ensure the eligible managed funds continue to comply with the criteria as outlined below.

In general, managed funds that provide daily pricing, have liquid underlying investments with more than \$100m in funds under management, and can be Rebalanced in accordance with the Capital Protection Formula, will be eligible for protection, subject to approval from both Deutsche Bank and us.

If your chosen Investment Fund becomes ineligible for protection during your Protection Term, you may be given an opportunity to replace your Investment Fund with another eligible managed fund. Generally, you will be able to continue your protection (without affecting your Minimum Outcome and Protection Term) with the replacement Investment Fund you choose.

Once you nominate a new Investment Fund, your entire holdings in the current Investment Fund will be redeemed and invested into the Fund. Then a certain amount will be redeemed out of the Fund and invested into your new Investment Fund, in accordance with the Capital Protection Formula.

The administrator of the Wrap Platform will provide you or your adviser with notices and other details in this situation (or otherwise make the notices available by electronic means) in accordance with the relevant legal requirements. Your adviser can work through the options with you, if this happens.

We may not accept any applications to invest further amounts into an Investment Fund which has ceased to be eligible. We may redeem all of your holding in the Investment Fund and invest the proceeds into the corresponding Defensive Class of the Fund. Deutsche Bank may still be required to pay any Protection Payments under the Protection Contract relating to that Protection Portfolio up to the time that the Investment Fund became ineligible.

7.4 Rebalancing via your instructions

From time to time during your Protection Term, some of your holdings in the Investment Fund will be redeemed and the proceeds of the redemption will be invested into the corresponding Defensive Class within the Fund, and vice versa.

This Rebalancing is essentially trading between two managed funds (ie the Investment Fund and the Fund) via the Wrap Platform. Rebalancing may also occur between the Defensive Classes of the Fund.

The Rebalancing will be triggered based on the Capital Protection Formula. In accordance with this formula, Deutsche Bank is required to issue Rebalancing determinations to the administrator of the Wrap Platform, and these determinations will be processed in the same way as trading instructions coming from you or your adviser.

Any Rebalancing trades will be processed by the administrator of the Wrap Platform, under your standing instructions (which you agree not to vary while you have protection).

7.5 Protection Payments

In the case of a severe and sudden fall in the unit price of your chosen Investment Funds due to market movements, Deutsche Bank is required to provide a Protection Payment to us, which we will hold for you in respect of the relevant Protection Portfolio.

This Protection Payment will be made to the Protection Class generally at the same time as a full Rebalancing, as explained in [7.6](#).

It is a condition of maintaining your protection and interest in the Protection Class (and a condition of the Protection Payment being made to us) that you transfer to us your interest in your rights against the responsible entity of the relevant Investment Fund which relate directly or indirectly to events that gave rise to the Protection Payment becoming payable (other than claims against the responsible entity of the Investment Fund relating to circumstances where Deutsche Bank has paid an adjusted Protection Payment due to a failure by that responsible entity to process redemptions in accordance with the relevant Investment Fund's constitution).

Under the Protection Contract we are required to transfer those rights to Deutsche Bank.

Please note that:

- > generally, your entire holdings in your Protection Portfolio will be Rebalanced into the Bond Class before Deutsche Bank makes the Protection Payment; and
- > there could be delays in processing or the rejection of certain requests that you make, such as requests for additional investments, withdrawals or an ad-hoc increase in Minimum Outcome, if these requests are made while Deutsche Bank is determining whether they are required to make any Protection Payments in relation to your Protection Portfolio.

7. Other important information

Amount of a Protection Payment

The amount of a Protection Payment will be determined by Deutsche Bank. This calculation is designed to produce an amount that when added to the available balance of your Protection Portfolio is sufficient to ensure that the value of your Protection Portfolio will be at least equal to the Minimum Outcome at the end of your Protection Term.

For example, let's say you currently have a Protection Portfolio with a Minimum Outcome of \$100,000. Your Protection Maturity Date is 20 August 2018.

- > On 4 December, the value of your Protection Portfolio is \$90,000 – split \$75,000 in your Investment Fund and \$15,000 in the Cash Class.
- > On 6 December, the value of your holding in the Investment Fund falls to \$60,000 because of a sudden drop in the unit price due to market movements.
- > Based on a Protection Portfolio value of \$75,000 (\$60,000 + \$15,000), the Capital Protection Formula determines that the Protection Portfolio is required to be fully Rebalanced to the Bond Class.
- > \$60,000 is redeemed from the Investment Fund and \$15,000 is redeemed from the Cash Class into the Cash Account.
- > On or around 12 Business Days later, Deutsche Bank's calculation determines that \$78,000 is at least required in the Bond Class to generate at least \$100,000 by your Protection Maturity Date.
- > The redemption proceeds of the Investment Fund and a Protection Payment of \$3,000 are then invested into the Bond Class.

Tax treatment of a Protection Payment

Generally, Protection Payments are distributed to you as distributions from the Protection Class within the Fund, which are automatically reinvested as additional units in the corresponding Bond Class during your Protection Term.

At your Protection Maturity Date or when you cancel your protection before your Protection Maturity Date, should a Protection Payment be required, then such distributions will not be reinvested, but paid out to your Cash Account.

You are entitled to receive these Protection Payments as distributions, relating to the interest you hold in the Protection Class. The distribution may include a non-assessable component which will reduce your cost base in the Protection Class and an assessable capital gain. Details of the tax composition of distributions will be provided annually in the tax statements issued by the Fund to the administrator of the Wrap Platform.

A disposal of your interest in the Protection Class may arise when:

- > your Protection Maturity Date is reached; or
- > your protection is cancelled before the Protection Maturity Date.

A disposal of this asset may result in the realisation of a capital gain or loss. A protection acquisition cost amount as described in section 5 represents the cost base of this asset in respect of each Protection Portfolio. A capital gain may arise if the Protection Payment you received is greater than the amount of total protection acquisition costs paid from the commencement of your protection until the time of receiving the Protection Payment.

A capital loss may arise on disposal of an interest in the Protection Class if the total protection acquisition costs paid are greater than the Protection Payment you received (including a situation where no Protection Payment is made during your Protection Term).

Please consult your tax adviser for more details about your particular tax circumstances.

7.6 Rebalancing fully into the Fund

During your Protection Term, it may be necessary to redeem all your holding in your Investment Fund and invest the proceeds into the relevant Bond Class of the Capital Protection Fund. For example, this may occur as you approach the Protection Maturity Date or if the unit price of your chosen Investment Fund drops significantly.

This will occur as required by the Capital Protection Formula, and may need to occur quickly to ensure that the value of your Bond Class units acquired will be sufficient to achieve the Minimum Outcome.

Changes in the unit price of a Bond Class over a full Rebalance settlement period could impact the ability of Bond Class units to ultimately deliver the Minimum Outcome and you are protected for such changes under the Protection Contract.

In the unlikely event that the settlement of your units in the Investment Fund takes more than 11 Business Days and we are required to Rebalance you fully to the Fund, Deutsche Bank may make a Protection Payment before those units settle. After the units settle, you will be required to pay an incidental protection acquisition cost which will not exceed the Protection Payment you received, effectively returning some or all of the Protection Payment. We pass this amount in full to Deutsche Bank (if we do not make this payment to Deutsche Bank by its due date, we assign our right to receive the additional protection acquisition cost to Deutsche Bank, who may then recover it directly from

BTPS). If there are residual proceeds from the settlement, we will invest that amount into the relevant Bond Class.

Once you are fully invested in the Bond Class, you may not receive any further Rebalancing trades or be able to make additional investments to your Protection Portfolio unless you take action, such as extending the Protection Term.

7.7 Distribution options in relation to your Investment Fund

It is important to carefully consider how you wish to receive the distributions from your chosen Investment Fund, as this can impact your Minimum Outcome.

If you choose to receive your distributions from the Investment Fund as cash that is paid to your Cash Account, then the amount of the cash distributions will be treated in the same manner as a partial withdrawal and reduce your Minimum Outcome on a proportional basis, as explained in [4.6](#). This is because Wrap Capital Protection is designed to provide you with protection on a total return basis (that includes distributions or dividends).

If you decide to reinvest your distributions back into your chosen Investment Fund, then you will be able to maintain the same level of Minimum Outcome after the distributions are made. If you do not make any choice, your distributions from your Investment Funds will be reinvested.

7. Other important information

7.8 No Rebalancing period – ie, unit pricing disruption period, Investment Fund termination and Investment Fund suspension

It is critical for Deutsche Bank to be able to determine that your Protection Portfolio should be Rebalanced from time to time, in order for it to provide the benefits of protection under the Protection Contract with us. It is a condition of your participation in the Fund that you provide a standing instruction (that you agree not to vary while you have the protection) to the administrator of the Wrap Platform to implement the transactions required to satisfy the Capital Protection Formula.

Unit pricing disruption period

If there is no unit pricing information, it may not be possible to apply the Capital Protection Formula to your Protection Portfolio on your initial application or during your Protection Term. For example, this may happen during distribution periods.

If this occurs for an extended period of time (eg, 15 Business Days or longer), your chosen Investment Fund may become ineligible for Wrap Capital Protection.

In such circumstances you may be able to continue your protection (without affecting your Minimum Outcome and Protection Term), by nominating an alternative eligible Investment Fund to form part of your Protection Portfolio.

If you choose an alternative Investment Fund, your entire holdings in the original Investment Fund will first be redeemed and held in the Defensive Class. Subsequently, a certain portion of your holding in the Defensive Class will be redeemed and invested into your alternative Investment Fund, based on the Capital Protection Formula.

The administrator of the Wrap Platform will provide you with more details in accordance with legal requirements, and your adviser can work through the options with you if this happens.

Termination of your Investment Fund

From time to time, the underlying fund manager of your chosen Investment Fund may decide to terminate the fund and stop accepting any withdrawal requests, by providing a notice to the administrator of the Wrap Platform. In this case, you will be generally able to continue your protection (without affecting your Minimum Outcome and Protection Term) by choosing another eligible managed fund to replace your Investment Fund in your Protection Portfolio.

If you choose an alternative Investment Fund, your entire holdings in the original Investment Fund will first be redeemed and held in the Defensive Class within the Fund. Subsequently, a certain portion of your holding in the Defensive Class will be redeemed and invested into your alternative Investment Fund, based on the Capital Protection Formula.

The administrator of the Wrap Platform will provide you with more details in accordance with legal requirements, and your adviser can work through the options with you if this happens.

Suspension of your Investment Fund

A managed fund suspension occurs when the responsible entity of a managed fund suspends one or more of the following:

- > applications (which may or may not include distribution reinvestments); and/or
- > withdrawals.

There are various reasons why a responsible entity of a managed fund may suspend applications or withdrawals or both such as if:

- the fund is no longer liquid within the meaning of the Corporations Act, the responsible entity is prohibited from allowing withdrawals from the fund unless it is in accordance with the fund's constitution or a withdrawal offer;
- the responsible entity determines that a suspension is necessary to protect the value of the assets in the fund from being devalued due to a large quantity of withdrawals from the fund;
- the responsible entity determines that a suspension is otherwise necessary in complying with its obligations to act in the best interests of members as a whole.

If your chosen Investment Fund becomes suspended, Rebalancing transactions cannot be placed or processed, but you will be able to keep your protection (without affecting your Minimum Outcome and Protection Term) as outlined below.

In circumstances where your Investment Fund is not liquid within the meaning of the Corporations Act for at least 100 Business Days (or at your Protection Maturity Date), your Protection Portfolio may still receive a Protection Payment from Deutsche Bank. In order to receive this, you are required to make an election to transfer to us (free and clear of interests of any other person) at the time of transfer, your interests in:

- > your units in the Investment Fund and any proceeds from the redemption of those units; and
- > all rights, claims and entitlements relating to those units against the responsible entity of the Investment Fund which you held as at the relevant date (other than any rights, claims or entitlements against the responsible entity of the Investment Fund for any failure to redeem units in accordance with the constitution of that fund to give effect to a transaction to Rebalance your Protection Portfolio).

We will initially hold these transferred interests, but will (in accordance with your instructions) transfer those interests to Deutsche Bank under the terms of the contract between us and Deutsche Bank. Consideration for each of these transfers will be determined by taking into account pricing information from the underlying fund manager and the amount of Protection Payment made by Deutsche Bank.

You are responsible for payment of any tax, stamp duty or other charges payable in relation to each of the transfers described above. These will be paid out of your Cash Account.

If you choose not to transfer your interests in the Investment Fund to us in these circumstances, your protection will be cancelled at that point in time and the value of your Protection Portfolio may be less than your Minimum Outcome. In this situation, there will be no Protection Payment payable by Deutsche Bank to us under the Protection Contract.

The administrator of the Wrap Platform will provide you with more details in accordance with legal requirements, and your adviser can work through the options with you if this happens.

7. Other important information

7.9 Moving to the Pension Plan within SuperWrap

In general, you will be able to keep your protection (without affecting your Minimum Outcome and Protection Term) when you are moving from an existing SuperWrap account to the Pension Plan within SuperWrap.

However, during this transition period, if the unit price of your chosen Investment Fund experiences a severe and sudden fall, there will be a Rebalancing transaction triggering a redemption of your entire holding in the Investment Fund, and the proceeds will be invested in the corresponding Bond Class within the Fund, before the transition to the Pension Plan will be completed.

This may have adverse tax consequences and hence you should consult your adviser whenever you are moving to Pension Plan within SuperWrap and wish to keep your protection.

In addition, where there are outstanding transactions, outstanding distributions, or when multiple accounts are being transferred, your transition to the Pension Plan may be delayed.

Transitioning to the Pension Plan is not possible within 10 Business Days of the Protection Maturity Date.

7.10 On your death

SuperWrap investors and individual Wrap investors (holding Wrap Platform account in your own name)

Once we are notified of your death, your protection will be cancelled and all your Protection Portfolios (ie your holdings of your chosen Investment Funds plus your holdings of the Fund) will be redeemed and the proceeds paid into your Cash Account. By moving all of your investments from your Protection Portfolio into your Cash Account upon your death, your investments will no longer be subject to market risks that relate to your Investment Funds.

It is important to note that, if you die before the Protection Maturity Date the value of your Protection Portfolio at that time may be less than your Minimum Outcome.

If your Protection Portfolio value drops significantly on the day we are notified of your death, should a Protection Payment be required under the Protection Contract, the Protection Payment will be made into your Cash Account.

Non-individual Wrap investors (holding Wrap Platform account jointly or in the name of a Company, Partnership, Trust or Super Fund)

Generally, protection will continue after the death of one of the account holders. Please speak to your adviser for more details.

7.11 Protection Contract

Protection Payments and Rebalancing

Under the Protection Contract, Deutsche Bank is required to maintain the Capital Protection formula and make Protection Payments to us that are designed to ensure that the value of a Protection Portfolio is at least equal to the Minimum Outcome at the end of the Protection Term, subject to terms and conditions.

However, Deutsche Bank will not be required to make any Protection Payment while any of the following events are continuing:

- > any amount of the protection acquisition costs relating to your Protection Portfolio is due but has not been paid to Deutsche Bank, or Deutsche Bank is not able to ascertain if the protection acquisition costs have been paid based on information received from us;
- > it is impossible or impractical for Deutsche Bank to make the determinations as to whether a Rebalancing transaction is required, due to events beyond the control of Deutsche Bank;

- we have failed to comply with investment guidelines specified in the Protection Contract, and Deutsche Bank is unable to determine what changes need to be made to your Protection Portfolio to take into account that failure;
- we breach our obligations in respect of any Protection Portfolio to make payments or deliveries to Deutsche Bank under the Protection Contract and do not correct that breach within specified periods; and
- if the Protection Contract terminates (the circumstances in which this can occur are outlined later in this section).

Deutsche Bank will not be required to make the full Protection Payment (and hence your Minimum Outcome may be reduced) in the following circumstances:

- where a Protection Payment would previously have been payable but could not be calculated at the time due to certain events beyond Deutsche Bank's control;
- where we have failed to comply with investment guidelines specified in the Protection Contract (but Deutsche Bank is able to determine any changes necessary to take into account that failure);
- where the administrator of the of the Wrap Platform fails to comply with an instruction from Deutsche Bank for a Rebalancing transaction (under a contract between us and the administrator of the Wrap Platform);
- where information that Deutsche Bank needs for its calculations has not been provided to Deutsche Bank in a manner specified under the Protection Contract;
- where BTFM, as responsible entity of the Fund, or the responsible entity of any Investment Fund has failed to comply with the relevant constitution regarding a Rebalancing transaction; and
- where there have been delays in processing Rebalancing transactions.

In addition to the obligation to make Protection Payments, there are also provisions in the Protection Contract that identify when a claim may be made for Rebalancing instructions that are inconsistent with the correct operation of the Capital Protection Formula. In these circumstances our rights to claim against Deutsche Bank have certain limitations, including a cap on the total amount that is available under the Protection Contract.

Protection Acquisition Costs

Deutsche Bank is entitled under the Protection Contract to be paid the protection acquisition costs for providing protection in relation to each Protection Portfolio. If the protection acquisition costs are not paid in respect of a Protection Portfolio when due, Deutsche Bank is not required to make a Protection Payment but will still be required to make determinations for the purpose of Rebalancing. If protection acquisition costs remain unpaid after a specified period and we fail to pay these costs within 3 Business Days, Deutsche Bank may not be required to make Protection Payments for any Protection Portfolios.

Deutsche Bank is also entitled under the Protection Contract to receive a transfer of certain rights, claims and entitlements relating to your units against the responsible entity of the Investment Fund that were held by you at the date Deutsche Bank paid that Protection Payment. These are additional obligations to those explained in **7.8** (Suspension of your Investment Fund).

7. Other important information

Termination of Protection Contract

The Protection Contract has no fixed term, but may be terminated by us or by Deutsche Bank as outlined below.

Deutsche Bank may terminate the Protection Contract, if:

- > we and Deutsche Bank cannot resolve a dispute or reach an agreement relating to the protection acquisition costs, adverse regulatory, financial or other circumstances that impact Deutsche Bank or termination of the bond swap derivative (and other related agreements for Defensive Classes);
- > we terminate the bond swap arrangements and replace them with similar arrangements with a swap provider other than Deutsche Bank;
- > we breach the Protection Contract and do not correct that breach (if it is possible to correct) within certain periods;
- > we default under certain debt that we owe;
- > we become insolvent or certain insolvency related events happen to us; or
- > certain adverse tax related events occur or are likely to occur in relation to the Fund.

We may terminate the Protection Contract, if:

- > Deutsche Bank breaches the Protection Contract (including a failure to pay a Protection Payment where Deutsche Bank is required to do so) and does not correct that breach (if it is possible to correct) within certain periods;
- > certain credit related events affecting Deutsche Bank occur;
- > if Deutsche Bank defaults under certain other debt that it owes;
- > Deutsche Bank becomes insolvent or certain insolvency related events happen to Deutsche Bank; or
- > we elect to do so at any time.

It is important to note that the Protection Contract with Deutsche Bank may be terminated before your Protection Maturity Date. In such a case, we may not be able to replace Deutsche Bank with another provider or if we do that provider may not be able to provide protection on similar terms to the Protection Contract.

If the Protection Contract is terminated, or if for any reason the Protection Contract is or becomes legally invalid or unenforceable against Deutsche Bank or if Deutsche Bank fails to comply with the Protection Contract, you may not receive protection for your desired Protection Term or achieve your Minimum Outcome.

The Protection Contract entitles Deutsche Bank in some circumstances to make adjustments to the way in which the calculations under the Protection Contract are to be made or to require certain Investment Funds to be removed as eligible funds for Wrap Capital Protection. These circumstances include where there have been disruptions (such as to unit pricing of an Investment Fund) which affect the ability of Deutsche Bank to make determinations for the purpose of Rebalancing for an agreed period of time. The Protection Contract may also be varied at any time by agreement between us and Deutsche Bank.

7.12 Other things you need to know about the Fund

Investing through the Wrap Platform

An investment in the Fund through the Wrap Platform does not entitle you to a direct interest in the Fund. This means that the rights that apply to a person who invests directly in the Fund are not available to you, but rather to the custodian of the Wrap Platform.

The custodian of the Wrap Platform will be recorded in the register as the investor in the Fund and will be the person who exercises the rights and receives the benefits of an investor.

Investors should refer to the disclosure documents for the Wrap Platform, or contact their adviser or the Wrap Platform administrator for any queries.

You can make additional investments to, or partial withdrawals from, your Protection Portfolio, split between your Investment Fund and the Fund in accordance with the Capital Protection Formula. You will not be able to select the proportion that will be invested in (or withdrawn from) your Investment Fund and the proportion that will be invested in (or withdrawn from) the Fund, which together comprises your Protection Portfolio.

We may decline to accept all or part of an application, additional investment, withdrawal, or other requests relating to the Fund without giving any reasons.

No cooling off rights

You will not have any cooling off rights in relation to any investments in the Fund acquired through the Wrap Platform.

Investment in classes

When you invest in the Fund, you will invest in (a) the Protection Class; and (b) the Defensive Class(es) relating to the Protection Term(s) applicable to your Protection Portfolio(s).

Information about the current Defensive Classes which are available for investment, and to which this PDS relates, is available at our website bt.com.au under the heading 'Classes Available'. A paper copy of information about the classes to which this PDS relates will be given to you on request, free of charge. From time to time, we will issue new Defensive Classes and close existing Defensive Classes, and information about these changes will be updated on our website.

Delays and restrictions on withdrawals

There may be circumstances where your ability to withdraw from the Fund is restricted and you may have to wait a period of time before you can redeem your investment in the Fund.

We can suspend the withdrawal of your money in certain extraordinary circumstances, including:

- > where we are unable to realise sufficient assets due to circumstances outside our control (such as restricted or suspended trading in the market for an asset);
- > where we are of the opinion that a withdrawal of investments from the Fund would be prejudicial to the interests of investors as a whole; or
- > where the Fund becomes illiquid.

If the Fund is no longer 'liquid' (as defined in the Corporations Act), withdrawals from the Fund will only be possible if we make a withdrawal offer in accordance with the Fund's constitution and the Corporations Act. Under the Corporations Act, a fund is not liquid if it has less than 80% liquid assets (generally cash and marketable securities). While the Fund is illiquid, different withdrawal procedures will apply as specified under the Corporations Act. We are not obliged to pay for withdrawals out of our own money.

7. Other important information

Constitution for the Fund

The Fund is established under a document called a constitution. Under the constitution, we are responsible for operating the Fund and selecting investments in accordance with the constitution.

The rights and obligations of members of the Fund are governed by the constitution and this PDS, but are also affected by the Corporations Act, relief and guidelines issued by ASIC, and the general law relating to trusts. As an investor through a Wrap Platform, you will not be a member of the Fund. Interests in the Fund will be held by the administrator of the Wrap Platform.

The constitution contains provisions relating to a number of issues including:

- > rights of unit holders in the Defensive Classes;
- > rights of investors in the Protection Class;
- > the process by which Defensive Class units are issued and redeemed;
- > the process by which Protection Class interests are issued and cancelled (ie the establishment and closure of Protection Portfolios);
- > the calculation and distribution of income/capital;
- > our powers as responsible entity of the Fund;
- > our right to claim indemnity from the Fund and charge expenses to the Fund;
- > the termination of the Fund or the termination of a Defensive Class within the Fund.

The constitution requires us to invest in accordance with the guidelines specified in the Protection Contract, while the Protection Contract is in place.

We can terminate the Fund at any time and will give members notice of any intention to do so. On termination of the Fund, subject to the terms of the constitution, the members of the Fund will share pro-rata in the net proceeds available from the sale of investments.

As the responsible entity of the Fund, we must comply with all of our obligations set out in the constitution. We are also subject to duties under the law including duties to act honestly, exercise care and diligence, and treat investors of the same class equally.

The constitution limits our liabilities in relation to the Fund. For example, we are not liable for acting in reliance on good faith on professional advice. If we comply with our duties and act in accordance with the relevant laws and the constitution, we are not liable to a member for any loss in connection with the Fund.

We have no liability to anyone (including an investor) in relation to our entry into or performance of the Protection Contract and all other documents and transaction contemplated by it. We are not liable for a failure to take action under, or for a breach of the Protection Contract, to the extent that the breach or failure was contributed by a member (including the administrator of the Wrap Platform).

In addition, we are entitled to be indemnified out of the assets of the Fund for liabilities we incur in the proper performance of our duties.

A copy of the constitution for the Fund will be provided free of charge on request, if you contact us on 1300 657 010.

7.13 Anti-Money Laundering and Counter Terrorism Financing

We have obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, its corresponding rules and regulations (referred to as the **AML/CTF Act**). We may be required to obtain information about you (at the time we issue interests in the Fund or from time to time thereafter) from the operator or custodian of the Wrap Platform in order to meet our legal obligations.

We have certain reporting obligations pursuant to the AML/CTF Act. We may delay, freeze, block or refuse transactions where we believe that the transactions breach Australian law or sanctions or law or sanctions of another country. Where the transaction is delayed, frozen, blocked or refused we will not be liable for any loss suffered (including consequential loss) howsoever caused.

The legislation prevents us from informing you that any such reporting may, or has taken place. Where legally obliged to do so, we may disclose the information held about you to regulatory and/or law enforcement agencies, including the Australian Transaction Reports and Analysis Centre, banks, service providers or to other third parties. We may also share this information with the other members of the Westpac Group.

7.14 Privacy

Because you are investing in the Fund via the Wrap Platform, please be aware that we do not generally collect or hold your personal information in connection with your investment.

However, if required by law (including the AML/CTF Act), we may obtain information about you at the time of issuing interests in the Fund or from time to time thereafter. By investing in the Fund, you consent to us and any other person who is at any time a member of the Westpac Group (**Westpac Company**), which includes members of the BT Financial Group, collecting, using, disclosing and handling your personal information in the manner set out in this section. If you do not provide all the information we request, we may need to reject your application, or we may no longer be able to provide a product or service to you.

How do we use your information?

We and other Westpac Companies may use your information:

- > to establish and administer the financial products and services we or any other Westpac Company provide to you (such as investments, superannuation, insurance or loans);
- > for product development, conducting market research and statistical analysis purposes; and
- > to comply with the law.

Without your personal information, we and other Westpac Companies may be unable to establish and administer your financial arrangements.

7. Other important information

How do we collect your information?

We and other Westpac Companies may collect your information from many places including the Fund's custodian or operator of your Wrap Platform account, correspondence with you or your financial adviser, our telephone calls with you or you using our website or emailing us.

We and other Westpac Companies may also collect your information from each other or from a service provider engaged to do something for us or another Westpac Company. Our service providers typically include custodians, investment administrators, information technology advisers, mail-houses, auditors, legal advisers and consultants.

When do we disclose your information?

Sometimes, a Westpac Company, a service provider or your financial adviser may be located outside Australia. By investing in the Fund, you consent to your information being transferred to a person such as this who is outside Australia.

We and each Westpac Company may disclose your personal information:

- > to each other, our service provider, or a person who acts on your behalf in relation to your investment (such as your financial adviser);
- > as required or permitted by law; and
- > with your consent.

How do you access your information

You can write to us at the address listed on the back cover of this document, to access the information we hold about you and to tell us if it needs to be updated. We try to give each customer access to their information on request, but we will tell you if this is not possible. A copy of our privacy policy is available on bt.com.au. The privacy policy also include how you may complain about a breach of the *Privacy Act 1988* (Cth) or a registered privacy code and how we will deal with your complaint.

The privacy policy will be updated from time to time.

7.15 Related party transactions and conflicts of interest

BTFM is a subsidiary of Westpac. Each Cash Class invests in a cash deposit account with Westpac. Each Bond Class invests in Westpac fixed interest securities. Westpac may be entitled to earn fees or other benefits in relation to such account or transactions and to retain them for its own account. Such arrangements will be based on arm's length terms or as otherwise permissible under the law. Any actual or perceived conflicts of interest are managed in accordance with the law, ASIC policy and our own policies.

7.16 Complaints

If you have any concerns or complaints, please contact the operator of the Wrap Platform.

If you believe that your matter has not been dealt with satisfactorily, you can contact the Financial Ombudsman Service by calling 1800 367 287.

8. Frequently asked questions

1 Are there any minimum/maximum investments or minimum withdrawal requirements in relation to my Protection Portfolio?

The minimum and maximum limits in relation to your Protection Portfolios are set out in the table below:

Minimum initial/additional investment into your Protection Portfolio through the Wrap Platform	None
Maximum initial/additional investment into your Protection Portfolio through the Wrap Platform	\$2,000,000*
Minimum withdrawal amount from your Protection Portfolio through the Wrap Platform	None
Minimum value of your Protection Portfolio during the Protection Term	None

* An amount greater than this may be accepted, subject to approval by Deutsche Bank

2 How much of my money will be Rebalanced into the Fund initially – ie upon acceptance of my application for protection?

The portion of your Protection Portfolio that will be invested in the Fund initially depends mainly on the type of Investment Fund, duration of your Protection Term and prevailing interest rates.

If your Investment Fund is considered to be in a higher risk category by Deutsche Bank, you will have less exposure to your Investment Fund initially, in comparison to an Investment Fund which is considered to be in a lower risk category. If you choose a shorter Protection Term, you will have less exposure to your Investment Fund initially, in comparison to a longer Protection Term. You will also have less exposure to your Investment Fund initially in a low interest rate environment.

Please consult your adviser for more information about the initial allocations for each Investment Fund.

3 When will my protection become effective?

Your protection will become effective when Deutsche Bank confirms to us that a Protection Portfolio is established. Until this time, the value of your Investment Fund holding through the Wrap Platform will not be subject to protection.

You can use the following table as a guide.

Type of transactions	Approximate timing
Initial application for protection when using money from your Cash Account to acquire new or additional units in an Investment Fund	Within 4 to 10 Business Days
Initial application where application for protection relates to units in an Investment Fund you already hold through the Wrap Platform	Within 4 Business Days

8. Frequently asked questions

4 When will my requests for additional investments, withdrawals and amendments be effective?

Your request will become effective when Deutsche Bank provides us with appropriate confirmation and we accept it.

You can use the following table as a guide.

Type of transactions	Approximate timing
Additional investment into your Protection Portfolio (using money from Cash Account)	Within 4 to 10 Business Days
Additional investment into your Protection Portfolio (by in-specie transfer of units of your Investment Fund onto the Wrap Platform)	Within 4 Business Days (following receipt of units by the administrator of the Wrap Platform)
Early cancellation/termination of protection	Within 3 Business Days, if there are no pending trades, unsettled units or outstanding distributions in relation to your Protection Portfolio
Partial or full withdrawal from your Protection Portfolio	Within 6 Business Days, if there are no pending trades or unsettled units in relation to your Protection Portfolio
Change of features of your protection (eg extension of Protection Term)	Within 2 to 6 Business Days, if there are no pending trades or unsettled units in relation to your Protection Portfolio

Note: When there is no relevant unit pricing information from the underlying fund manager (for example we have not received a unit price from the underlying fund manager or during a distribution period) the transactions relating to your investment may take longer than the times stated above.

5 Do I incur a buy/sell spread for the Rebalancing transactions?

Yes.

However, please note that, generally, any reduction of the value of your Protection Portfolio due to a buy/sell spread (in relation to your Investment Fund and Bond Class) will not impact the Minimum Outcome. This means that under normal market circumstances, your Minimum Outcome will not be eroded by a buy/sell spread incurred as a result of Rebalancing transactions.

6 What are the tax consequences for the Rebalancing transactions?

The Rebalancing transactions will be treated in the same way as other transactions triggered when you (or your adviser) request to redeem units from one managed fund and invest into another managed fund of your choice on the Wrap Platform.

➤ Please see the relevant product disclosure statement or IDPS Guide for the Wrap Platform for more details

7 How do I know when Rebalancing will happen? Do I get an advance notice?

Due to the dynamic nature of the Capital Protection Formula, you will not get an advance notice before any Capital Protection happens.

Generally, your holding in your chosen Investment Fund is likely to be subject to a Rebalancing transaction when the unit price of your chosen Investment Fund moves significantly either quickly or over time (either up or down). In other words, there is an allowance for some volatility of the unit price before Rebalancing is required. There are other factors that can impact Rebalancing, such as requesting a term extension or an ad-hoc increase to your Minimum Outcome. Rebalancing will also be triggered gradually over time as you approach your Protection Maturity Date.

8 Can I change my Investment Fund during the Protection Term?

You are only allowed to change your Investment Fund in limited circumstances during your Protection Term.

For example, when your chosen Investment Fund is about to be terminated by the underlying fund manager, you may be able to nominate an alternative eligible managed fund to substitute your Investment Fund that is to be terminated, without affecting the Protection Term or Minimum Outcome of your existing protection.

7.8 For more details.

During your Protection Term, however, you will be able to cancel the existing protection in relation to your current chosen Investment Fund and start a new protection for a new eligible managed fund. It is important to note that there may be adverse consequences of cancelling your existing protection, so please see your adviser before cancelling your protection for the purpose of substituting the Investment Fund.

For example, if your existing Minimum Outcome is higher than the value of your Protection Portfolio at the time of cancellation, you will not be able to keep this higher Minimum Outcome when you apply for new protection.

Additionally, if the remaining Protection Term of your existing protection is less than 5 years, you will not be able to get the equivalent or comparable maturity date for your new protection.

9 How does the protection work with Preferred Portfolios, Regular Investment Plans and Drawdowns?

You will not be able to include the same managed fund under both Wrap Capital Protection and a Preferred Portfolio on the Wrap Platform. This means that you will have to choose whether you want to place a particular managed fund under Wrap Capital Protection or place it under a Preferred Portfolio arrangement.

Generally speaking, your Regular Investment Plan (RIP) will be treated as if you are making regular investments into your Protection Portfolio, as opposed to your Investment Fund.

For example, if you have a RIP in relation to a particular managed fund and want to apply protection to this fund, your RIP will work like any other additional investments you make into your Protection Portfolio containing that fund, increasing your Minimum Outcome on a dollar for dollar basis. However, such additional investments will be split between your Investment Fund and the Fund, and at certain times up to 100% of your RIP amount could be invested into the Fund, instead of your Investment Fund.

4.2 For more details about making additional investments to your Protection Portfolio.

Your Drawdown strategy will relate to the value of your Protection Portfolio, instead of the value of the Investment Fund contained within your Protection Portfolio. Where drawdowns are initiated in relation to your Protection Portfolio, they will be split between your Investment Fund and the Fund in accordance with the Capital Protection Formula.

10 What happens if Rebalancing coincides with my request for withdrawal or top up?

If your request for additional investments or withdrawals happens to occur on the same day as when Rebalancing is triggered by the Capital Protection Formula, then generally your request for additional investments will be processed in a normal manner, but your request for withdrawals will be processed after any pending trades in relation to your Protection Portfolio are settled.

In both situations, you will be able to see transactions separately in regular statements from the administrator of the Wrap Platform.

However, in certain circumstances, the administrator of the Wrap Platform may have to process the Rebalancing instructions from Deutsche Bank before they process your requests.

8. Frequently asked questions

11 What happens at the maturity date of my Protection Term?

You will not be able to make any changes to your protection (eg, cancellation, term extension, withdrawals) for the 10 Business Days prior to your maturity date. The Fund will make a final distribution reflecting the taxable income for the period up to and including the maturity date. The proceeds from redemption of your units in the Defensive Class will be then paid to your Cash Account generally within 7 Business Days after the maturity date. You will retain your holding in your Investment Fund in your Wrap Platform account but this will no longer be protected.

12 What happens if the Protection Contract with Deutsche Bank is terminated in the future?

Under the Protection Contract there are some circumstances in which we or Deutsche Bank can terminate the contract. If this occurs, we may Rebalance your entire holdings in your Investment Fund(s) into the Defensive Class(es) while looking for a replacement to assume Deutsche Bank's functions. If we are unable to find a replacement, we may stop accepting any new applications for protection.

If we are able to Rebalance your entire holdings in your Investment Fund(s) into the Defensive Class(es) within the Fund in a timely manner, then you will be able to keep your protection (without affecting your Minimum Outcome and Protection Term). Otherwise, your protection can be adversely affected and you are exposed to the credit risk of Deutsche Bank to honour the promises they made to us under the Protection Contract.

13 Do I pay the same fees/costs regardless of the type of Investment Fund I choose for Wrap Capital Protection?

Yes.

However, if your Investment Fund is considered to be in a higher risk category by Deutsche Bank, you will have less exposure to your Investment Fund at the beginning of your Protection Term, in comparison to an Investment Fund which is considered to be in a lower risk category.

Also, during your Protection Term, an Investment Fund in a higher risk category is more likely to experience Rebalancing transactions into the Defensive Class than an Investment Fund in a lower risk category, when the markets are not doing well.

Deutsche Bank will review the risk profiles of your Investment Funds and may change the risk profile category of your Investment Fund from time to time. When this happens, your Protection Portfolio may experience a Rebalancing transaction.

Your adviser can help you decide which Investment Funds are appropriate for your Wrap Capital Protection.

14 Can I take out Wrap Capital Protection for my pension account within SuperWrap?

Yes.

You will be able to apply for protection in relation to your eligible managed funds in your pension account.

However, if your pension payments (eg via drawdown facility) need to be made from your Protection Portfolio, then your Minimum Outcome will be reduced, as the pension payments will be treated as partial withdrawals from your Protection Portfolio.

4.6 For more details about making partial withdrawals from your Protection Portfolio.

15 When am I invested in the Cash Class versus the Bond Class of the Fund?

Typically, you can expect your Protection Portfolio to be invested in your Investment Fund and the Cash Class.

However, there are circumstances where this is not the case, such as:

- > If your Protection Portfolio has performed well, your remaining Protection Term is long and/or interest rates have increased, your Protection Portfolio may be invested in your Investment Fund only; or
- > If your Protection Portfolio has performed poorly, your remaining Protection Term is short and/or interest rates have fallen, your Protection Portfolio may be invested in the Bond Class only.

For more information



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