

# A guide to our financial services.

30 September 2017

## About this Financial Services Guide ('FSG')

This FSG is issued by BT Portfolio Services Ltd ABN 73 095 055 208 AFSL 233715 ('BTPS', 'us' or 'we') to inform retail clients of the financial services provided by us. It is designed to assist you in deciding whether to use these services and to ensure that BTPS complies with its obligations as an Australian financial services licensee.

This FSG tells you:

- > about us and the financial services and products we offer
- > how we are remunerated for the services we provide
- > what associations or relationships we have with financial product issuers
- > how we deal with your complaints
- > how we collect and use your personal information, and
- > how you can contact us.

To invest in any financial product through, or issued by, us, you must complete the relevant application form and read and understand the Product Disclosure Statement ('PDS') or other relevant disclosure document. The disclosure document contains information about the particular product, including relevant terms, risks and fees and costs which may apply, and will assist you in making an informed decision about that product. You can request a copy of the relevant disclosure document from your adviser or by contacting us on 1300 657 010.

## About BT Portfolio Services Ltd

BTPS is a member of the Westpac Banking Corporation group of companies ('Westpac Group') that provide various financial, funds management, insurance, superannuation, investment and administrative services and products from time to time.

BTPS, the operator and administrator of Wrap and administrator of SuperWrap (a part of Retirement Wrap ABN 39 827 542 991), also acts as a custodian for Wrap and SuperWrap. BTPS is a wholly owned subsidiary of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 ('Westpac'). Apart from any interest investors may have in underlying bank accounts held at Westpac through a Wrap and/or SuperWrap Cash Account or term deposits, or in Westpac securities acquired using Wrap and/or SuperWrap; an investment in, or acquired using, Wrap or SuperWrap is not a deposit with, investment in or other liability of Westpac, or any of its related entities. Neither Westpac nor any other Westpac Group company guarantees the capital value or investment performance of any investments acquired through Wrap and/or SuperWrap.

These investments are subject to investment risk, including possible delays in repayment or loss of income and principal invested.

The registered address of BTPS is:

BT Portfolio Services  
Level 20, 275 Kent Street  
Sydney NSW 2000

### Compensation arrangements

We are exempt from the professional indemnity insurance requirements for compensation arrangements as we have a guarantee provided by Westpac. This guarantee has been approved by the Australian Securities and Investments Commission ('ASIC'). These arrangements meet relevant legislative requirements.

## Our financial services and products

### What financial services and products do we provide?

BTPS holds an AFSL that authorises us to provide general financial product advice for, and to deal in the following financial products:

- > deposit and payment products
- > derivatives
- > government debentures, stocks or bonds
- > margin lending facility
- > life products (eg life insurance)
- > interests in managed investment schemes including investor directed portfolio services
- > securities
- > superannuation, and
- > managed investment warrants listed on the Australian Securities Exchange.

Our AFSL also authorises us to provide the following custodial or depository services:

- > operate investor directed portfolio services, and
- > operate custodial or depository services other than investor directed portfolio services.

BTPS is the operator and administrator of Wrap and the administrator of SuperWrap. BTPS also acts as custodian for Wrap and SuperWrap, and arranges the issue of insurance products by Westpac Life Insurance Services Limited that are available through Wrap and SuperWrap.

BTPS arranges the issue of margin lending products by BT Securities Limited that are available through Wrap.

The trustee and issuer ('Trustee') of SuperWrap is BT Funds Management Limited ABN 63 002 916 458 AFSL No. 233724 ('BTFM'), which is a Westpac Group company.

Investors generally access Wrap and SuperWrap through third parties (including Australian Financial Services licensees) under their own brand. Throughout this FSG these products are collectively referred to as 'Wrap Products' and third parties who issue and/or distribute the Wrap Products are referred to as 'Wrap Distributors'.

### Who is responsible for the financial services you receive?

BTPS will provide, and be responsible for, the financial services provided to you and described in this FSG. We will provide these services through our representatives who are: employees of companies within the Westpac Group ('Staff Members'); employees of third party service providers; and any authorised representatives appointed by us to provide financial services on our behalf.

To the extent that our financial services involve implementing the decisions made by you and your financial adviser, BTPS is not responsible for those

decisions. Your financial adviser is not a BTPS representative or an authorised representative of BTPS and BTPS is not responsible for the services they provide to you. Similarly, Wrap Distributors are not representatives or authorised representatives of BTPS and BTPS is not responsible for the services they provide to you.

BTPS acts on its own behalf as an AFS licensee when providing financial services to you.

### Will we give you personal advice that has regard to your objectives, financial situation and needs?

No. BTPS only provides you with factual information or general advice regarding financial products we issue, administer and/or arrange or that can be acquired through the financial products we issue, administer and/or arrange. This factual information or general advice does not take into account your particular objectives, financial situation and needs. These factors and the PDS or other relevant disclosure documents for the relevant financial product should be considered by you before making any investment decision on the basis of the factual information or general advice that we provide to you.

Under the law regulating the provision of financial services, financial product advice (which includes personal advice and general advice) is a recommendation, opinion or report that is or which could reasonably be regarded as being intended to influence a decision in relation to a financial product. However, general advice does not include any direct or implied recommendation that the products referred to are appropriate to the objectives, financial situation and needs of a particular person.

### How can you give us instructions?

Generally, you may give us instructions:

- > through your financial adviser,
- > through our online service [investorwrap.com.au](http://investorwrap.com.au),
- > in writing by post, email or fax, or
- > by other means by pre-arrangement with us.

How you give us instructions will depend on the financial services we provide to you and the nature of your instruction.

### What is the manner in which your investments are held through Wrap?

BTPS acts as custodian for Wrap and holds the managed funds, cash and listed securities (held as custodial holdings) on your behalf. BTPS is therefore the legal owner of these investments, and will hold the assets on trust for you, meaning you retain beneficial ownership of the investments. BTPS may use pooling arrangements, under which some of your assets are held in omnibus accounts. The use of omnibus accounts to hold financial assets is common industry practice. Assets held through an omnibus account are held in the name of the custodian or its nominee rather than in individual accounts for each underlying investor. Records are

maintained by BTPS to allow clear identification of the quantity of assets held for an investor through the omnibus account. By signing the investor registration form and BTPS accepting your application, you will be consenting to the use of omnibus accounts by BTPS. The role of BTPS as custodian is limited to holding and maintaining your assets held through Wrap and dealing with those assets in accordance with directions received from you. Other services undertaken by BTPS in its role as custodian generally include collecting income in connection with your assets held in custody and arranging settlement of purchases and sales. You may make a written request to us for a statement acknowledging the manner in which your investments are held through Wrap.

Unless otherwise indicated below, any Fees that are payable by you to us will, generally: include GST; be debited from your Wrap or SuperWrap Cash Account ('Cash Account') or be paid by other means by pre-arrangement with us; and be collected on a monthly basis (except expense recovery).

In relation to the financial services BTPS provides, we may collect the Fees set out below. These Fees do not simply represent our profit margins, but also go towards covering our costs and overheads. The Fees may also be shared with third parties (including Wrap Distributors), as set out in this FSG under the heading 'Fees received by related entities and our associations with product issuers'.

## Information about fees and other benefits

### What fees and other benefits are received by us?

The fees, commissions and other benefits (collectively 'Fees') that we collect or receive for providing a financial service to you depend on the financial service provided to you and the financial product you acquire and are detailed below.

The total Fees you pay in respect of your Wrap or SuperWrap account comprise the fees charged by us or the product issuer (including Wrap Distributor fees); adviser fees; dealer group fees; brokerage; government and other fees and charges we incur in relation to administering your Wrap or SuperWrap account and the fees and charges of any underlying investment you choose. The actual Fees payable by you will depend on the financial product or service you acquire and such Fees will generally be set out in the FSG, statement of advice or other disclosure documents provided to you in relation to that financial service or financial product.

The following table sets out the fees and charges BTPS may receive in relation to Wrap Products:

Fees and charges received	Fee description
<b>Account keeping fees</b>	These fees are charged on either the total funds under administration in your portfolio, or on the value of each investment held in your portfolio. These fees may be tiered and the amount we receive depends on the Wrap Product you acquire and the arrangements we have agreed with the Wrap Distributor.
<b>Portfolio Facility fee and Custodial holdings option fee</b>	<p>BTPS may charge you other fees, as set out below:</p> <ul style="list-style-type: none"> <li>&gt; If your Wrap or SuperWrap account is to be monitored in line with a Preferred Portfolio facility or if you and your adviser have agreed to use the Portfolio Service facility, we may charge you an annual Portfolio facility fee of up to \$260 pa (charged monthly and deducted as part of your Account keeping fee). If you switch out of the Preferred Portfolio facility or the Portfolio Service facility, you may be charged the residual balance of the full annual fee for that facility.</li> <li>&gt; If you elect to have BTPS hold listed securities on your behalf under the custodial holdings option available, or to be made available in Wrap, we may charge you a Custodial holdings option fee of up to \$321.95 pa.</li> </ul> <p>If charged, these fees will be debited from your Cash Account at the same time as, and in addition to, the general account keeping or administration fees referred to above.</p>
<b>Transaction fees</b>	You may be charged a Transaction fee of up to \$35 for certain managed fund transactions in relation to the investments offered by Wrap or SuperWrap. This fee (if any) will be deducted from your Cash Account when the transaction is settled.
<b>Brokerage</b>	We may receive up to 100% of the brokerage you pay to the default broker when you or your adviser transact in listed securities through the online broker facility available through Wrap or SuperWrap. The actual amount we receive from the broker (if any) is determined by daily trading volumes.
<b>Issuer fee (SuperWrap only)</b>	We may collect an Issuer fee of up to 0.1% pa of the value of your SuperWrap account (if any) on behalf of the Trustee. The amount received by the Trustee is determined by reference to the total assets of SuperWrap.

Fees and charges received	Fee description
<b>Cash Account fee</b>	<p>We will collect a Cash Account fee for the administration of your Cash Account. This fee is the difference between:</p> <p>(a) the interest rate<sup>1</sup> earned by us on the underlying bank accounts we maintain at Westpac in which the cash that constitutes your Cash Account is deposited, and</p> <p>(b) the interest rate we declare for your Cash Account and which is payable to you.</p> <p>The Cash Account fee is charged before interest is credited to your Cash Account at the end of each quarter in arrears. The Cash Account fee is paid out of the cash we deposit in the underlying bank accounts we maintain at Westpac and is not separately deducted from your account balance.</p>
<b>Expense recovery</b>	<p>BTPS (in respect of Wrap) or the Trustee (in respect of SuperWrap) may pass on to you all or a portion of the actual expenses properly incurred in each financial year in respect of costs that relate to your Wrap or SuperWrap Account (as applicable), government levies and complying with legislative requirements and/or prudential standards. The expense is estimated to be approximately \$95 pa plus 0.03% pa of the account balance, per account for SuperWrap (which includes the Australian Prudential Regulatory Authority levy that was previously paid by members through SuperWrap's tax reserve account) and \$80 pa per account for Wrap. The exact amount deducted from your account will be confirmed in your Annual Statement. These amounts are payable to BTPS (in respect of Wrap) or the Trustee (in respect of SuperWrap) and will not be passed on to the Wrap Distributor, your adviser, or your adviser's dealer group.</p>
<b>Other account fees</b>	<p>We may pass on to you all out-of-pocket expenses we incur on your behalf in administering your Wrap or SuperWrap account, such as bank fees and stamp duty. Unless otherwise arranged between you and BTPS or the Trustee these expenses will be debited from your Cash Account when they are incurred.</p>
<b>Fee Allocations and platform payments</b>	<p>In respect of SuperWrap, the Trustee may pay up to 100% of the fees and costs deducted from your account (other than Expense recovery and fees you direct to be paid to your adviser/dealer group) to BTPS for its services. BTPS may pay to BTFM (as Distributor) and/or, in limited circumstances and to the extent permitted by law, to Wrap Distributors (or their related parties) or your adviser's dealer group (or their related parties), up to 100% of the fees and other payments (other than expense recovery) it receives, including the amounts referred to under 'Platform service fees and other payments' below. BTPS pays these amounts out of its own funds and they are not additional costs to you.</p>
<b>Platform service fees and other payments</b>	<p>BTPS may receive the following payments from responsible entities and/or fund managers whose funds are made available to you through Wrap or SuperWrap:</p> <ul style="list-style-type: none"> <li>&gt; Service fees or other payments of up to \$22,000 plus GST pa per responsible entity (or in some cases per fund manager) (which are subject to review and may increase by up to \$500 plus GST pa) plus up to \$8,800 plus GST pa per managed fund (which are subject to annual review and may increase by up to \$200 plus GST pa), received on an annual basis. These fees may not apply (or may only apply in part to) responsible entities and/or fund managers who are currently participating in the Advantage Investment Series; and/or</li> <li>&gt; Payments of up to 1.95% pa of the total amount invested in a managed fund available through Wrap in exchange for providing access to services and information, a portion of which is payable to investors in relation to managed funds that form part of the Advantage Investment Series. Where applicable, we receive these payments from the responsible entities and/or fund managers on a monthly basis as long as investments are held in the underlying managed fund. The amount of these payments varies according to the amounts invested in each underlying managed fund through Wrap and SuperWrap and the agreements we have in place with the responsible entity and/or fund manager.</li> </ul> <p>Out of our own fees, we may pay up to 100% of fund manager payments we receive to the Wrap Distributor and/or your financial adviser. The Wrap Distributor and/or your financial adviser, in turn, may retain this amount as a commission or rebate to clients at their discretion.</p>
<b>Insurance payments</b>	<p>If you hold a Wrap or SuperWrap account and you elect to take out insurance, we may receive upfront and ongoing commissions. Commissions are calculated as a percentage of the insurance premiums you pay. The amount of commission is determined by the arrangement in place with the relevant insurer (and the Trustee in relation to SuperWrap account) and is not an additional cost to you. We receive these commissions monthly in arrears from the relevant insurer for as long as you hold the insurance product. We may pass all of our commissions to the Wrap Distributor and/or your financial adviser.</p>

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

## **What remuneration and other benefits are received by Staff Members?**

Staff Members receive salaries (generally, paid fortnightly or monthly), cash bonuses and other benefits. Cash bonuses are based on the performance of the Staff Member, product sales and by reference to other performance measures. Bonuses are paid quarterly, half-yearly or yearly and may, at the election of the employee, instead be paid by way of superannuation contributions or shares in Westpac. Staff Members may also be rewarded with monetary and non-monetary incentives and benefits from time to time if they meet certain performance targets (including their own sales). The incentives range from small non-monetary rewards such as movie tickets to more valuable benefits such as pre-paid holiday packages and attendances at conferences.

Monetary payments to Staff Members are made by payment into an account nominated by the relevant Staff Member.

It is not possible to determine at any given time whether a Staff Member will receive the benefits referred to above or to quantify them. The benefits are generally not directly attributable to any particular product or service the Staff Member has provided.

## **Fees received by related entities and our associations with product issuers**

We have relationships with companies within the Westpac Group. These companies manage, market, issue and provide financial products and services that you may acquire from, or through, us and the products we issue, administer and/or arrange. We also have relationships with product issuers (such as certain Wrap Distributors and responsible entities whose managed funds are available through Wrap Products). We have arrangements in place with these product issuers that allow you access to financial products they issue through Wrap Products. While some of these product issuers are companies within the Westpac Group, the majority of them are unrelated to either BTPS or other companies within the Westpac Group. As discussed under the heading 'Information about fees and other benefits', we may receive service fees and other payments from these product issuers.

When you invest, through the products we issue, administer and/or arrange, in any financial product offered by a product issuer, that product issuer will receive Fees in relation to your investment in that product (which may include entry or registration fees, management fees, exit fees and any other fees specified in the PDS or other disclosure document for the particular product or service).

BTPS may collect fees and other charges from you on behalf of third parties (such as your financial adviser, their dealer group, the Distributor, the Trustee and the default broker). These fees and charges will generally be set out in the FSG, PDS, statement of advice or other disclosure documents provided to you for the financial services or

financial products those parties provide to you or will be as specified by you. BTPS will pass these fees and charges on to the relevant party.

## **Register of Alternative Form of Remuneration**

The Administrator maintains a register that records details of the non-monetary benefits of small value that it receives (including such benefits from providers of some of the products that are available through Wrap Products). The register is available for inspection by you and you can obtain a copy by contacting Wrap Customer Relations on 1300 657 010.

## **If you have a complaint**

BTPS has arrangements for dealing with questions or complaints regarding Wrap Products (including complaints regarding insurance offered through Wrap Products). If you have any problems with the financial services that we provide and wish to make a complaint, please contact us and we will do our best to resolve it for you quickly and fairly.

If you have a complaint about Wrap or SuperWrap, please contact us by phone on 1300 657 010 from 8:00am to 6:30pm, Monday to Friday (Sydney time) or, if you prefer, in writing addressed to:

The Complaints Officer  
GPO Box 2675  
Sydney NSW 2001

If we are unable to resolve your complaint over the telephone we will elevate your complaint to our internal dispute unit for investigation and review and take all reasonable steps to resolve your complaint with you or your authorised representative. We will endeavour to resolve your complaint within 45 days. However, if you are not satisfied with the response, or have not received a response within 45 days (in relation to Wrap) or 90 days (in relation to SuperWrap), you may escalate your complaint to:

### **For Wrap:**

Financial Ombudsman Service ('FOS')

FOS is an independent body, set up to assist customers in the resolution of complaints relating to members of the financial services industry. You can contact FOS in relation to your Wrap account by:

Calling: 1300 780 808

Faxing to: (03) 9613 6399

Writing to: Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001

## For SuperWrap:

Superannuation Complaints Tribunal ('SCT')

The SCT is an independent body, established by the Government to help members of super funds resolve complaints. You can contact the SCT in relation to your SuperWrap account by:

Calling: 1300 884 114

Faxing to: (03) 8635 5588

Emailing: [info@sct.gov.au](mailto:info@sct.gov.au)

Writing to: Superannuation Complaints Tribunal  
Locked Bag 3060  
Melbourne VIC 3001

The Australian Securities and Investments Commissions also has a free call Infoline on 1300 300 630. You can telephone this number to make a complaint and to obtain further information about your rights.

## Protecting your privacy

### Why we collect your personal information

When you acquire Wrap Products or services (including insurance products available through Wrap Products), the personal information collected by us will be used to provide you with a product or service. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to our products or services and help us to run our business. We may also use your information to tell you about products or services we think may interest you.

If you do not provide all the information we request, we may no longer be able to provide a product or service to you.

### How we collect your personal information

We may collect your information from many places including correspondence with you, your adviser, our telephone calls with you or you using our website or emailing us. We may also collect your information from other members of the Westpac Group or from a service provider engaged to do something for us or another member of the Westpac Group. Our service providers typically include custodians, investment administrators, information technology advisers, mail-houses, auditors, legal advisers and consultants.

### Disclosing your personal information

We may disclose your personal information to other members of the Westpac Group, anyone we engage to do something on our behalf such as a service provider, other organisations that assist us with our business and any person who acts on your behalf in relation to the financial products and financial services acquired by you (such as a financial adviser).

We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in the BT Privacy Policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products and services, you consent to these disclosures.

### Other important information

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in the BT Privacy Policy.

The BT Privacy Policy is available at [bt.com.au](http://bt.com.au) or by calling 1300 657 010. It covers:

- > how you can access the personal information we hold about you and ask for it to be corrected;
- > how you may complain about a breach of the Australian Privacy Principles, or a registered privacy code and how we will deal with your complaint; and
- > how we collect, hold, use and disclose your personal information in more detail.

The BT Privacy Policy will be updated from time to time.

Where you have provided information about another individual, you must make them aware of that fact and the contents of this privacy statement.

## Our reporting obligations

We are required to identify tax residents of countries other than Australia in order to meet account information reporting requirements under local and international laws.

If at any time after account opening, information in our possession suggests that you, the entity and/or any individual who holds ownership and/or control in the entity of 25% or more (Controlling Person/Beneficial Owner) may be a tax resident of a country other than Australia, you may be contacted to provide further information on your foreign tax status and/or the foreign tax status of the entity and/or any Controlling Person/Beneficial Owner. Failure to respond may lead to certain reporting requirements applying to the account. By completing the application form you certify that if at any time there is a change to the foreign tax status details for you, the entity and/or any controlling persons/beneficial owner, you will inform us. You also certify that if at any time there is a change of a controlling person or beneficial owner in your entity, you will inform us.

A controlling person/beneficial owner refers to an individual that directly or indirectly owns a legal interest in the entity of 25% or more and/or exercises actual effective control over the entity, whether from an economic or other perspective such as through voting rights. In addition, in the case of a trust, a controlling person/beneficial owner includes any settlors, trustees, appointers, protectors, beneficiaries or classes of beneficiaries and in the case of an entity other than a trust, the term includes persons in equivalent or similar positions.

For more information



[enquiry@investorwrap.com.au](mailto:enquiry@investorwrap.com.au)



1300 657 010



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Adelaide SA 5001