

## **Part II**

Additional Information and Terms

# Purpose of this Additional Information and Terms

This Additional Information and Terms forms part of the Investor Guide for Wrap. The other part of the Investor Guide for Wrap is the Investor Short Guide. If you do not have a copy of the Investor Short Guide, you can obtain a copy from your adviser.

This Additional Information and Terms gives you the following information that is not included in the Investor Short Guide:

- detailed information about how to use Wrap
- additional information on fees and tax
- other important information
- terms and conditions, and
- CHESS Sponsorship Agreement.

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## Updates to this Investor Guide

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

## About the Administrator

Throughout this Investor Guide, BT Portfolio Services Ltd ABN 73 095 055 208 is referred to as 'the Administrator'. The Administrator issues this Investor Guide in Australia and is responsible for the transaction, administration and custodial functions of Wrap.

The Administrator also provides technology for Wrap systems, holds the managed funds, cash and listed securities (under the custodial holdings option) of Wrap for you and provides you with Clearing House Electronic Sub-Register System ('CHESS') sponsorship if you wish to trade listed securities in your own name.

The Administrator is a subsidiary of Westpac Banking Corporation ABN 33 007 457 141 ('Westpac'). Apart from any interest investors may have in underlying

bank accounts held at Westpac through their Cash Account, in other Westpac deposit products, or in Westpac securities acquired using Wrap, an investment in, or acquired using Wrap is not an investment in, deposit with or any other liability of Westpac or any other company in the Westpac Group. These investments are subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. Neither Westpac nor any other company in the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of any investments in, or acquired through Wrap.

## Eligibility

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

## Investment in Wrap

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

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

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# Benefits and features

This section provides you with more information on the investments and other transactions that you can make through Wrap that are referred to in the 'Benefits and features' section of the Investor Short Guide.

## 1\_ Features of your investment options

This section contains details on some key features (referred to in the Investor Short Guide) of investing in the following investment options through Wrap:

- wholesale managed funds
- listed securities
- term deposits
- other unlisted investments,

and how to invest in those investment options.

### Wholesale managed funds

#### QUICK GUIDE TO INVESTING IN MANAGED FUNDS

Investing in managed funds through Wrap is straightforward. All you and your adviser need to do is:

- select the underlying managed fund you are interested in and obtain a copy of the Product Disclosure Statement (or other disclosure document(s)). This will contain the relevant details you need to make a decision whether to invest in the fund, which usually includes fees and risk/return information. Disclosure documents are available, without charge, from your adviser
- read the documents carefully before deciding to invest. Remember, you don't need to complete the application form contained in the disclosure document for the managed fund, and
- provide a completed Managed Fund Transaction Form to your adviser. They can place your transaction instruction online on your behalf. Transaction confirmations can be accessed by visiting [www.investorwrap.com.au](http://www.investorwrap.com.au).

### The Wrap Advantage and the Advantage Investment Series

You can earn rebates on your account keeping fee if you invest through Wrap in the Advantage Investment Series. The Advantage Investment Series is a range of managed funds selected by the Administrator, which allow you to earn a rebate on your account keeping fee. If you hold investments in one or more of the managed funds from the Advantage Investment Series in your Wrap account at the end of a calendar month and you have been charged an account keeping fee for that month, you may qualify for this rebate. The more you invest in these funds, the greater your total rebate. This means lower fees for you, the investor.

The Administrator will regularly review and update the Advantage Investment Series and may, at its discretion, change the funds within the Advantage Investment Series. For a full list of the current managed funds in the Advantage Investment Series, speak to your adviser or refer to the current Investment Options Booklet. Your adviser can provide you with the relevant PDSs for those funds on request and without charge.

For more information on the Wrap Advantage rebate, please refer to 'BT Wrap Advantage fee rebate' in the 'Additional information on fees' section of this document.

### How to invest in and withdraw from managed funds

Your adviser can place your instructions to invest in or withdraw from a managed fund to the Administrator online. If the Administrator receives a completed and valid transaction instruction (for either application or withdrawal) before 11.00am (Sydney time) on any business day,<sup>1</sup> your instruction will generally be placed with the fund manager on the same business day. However, in times of high demand it may take longer.

<sup>1</sup> A business day refers to a day that retail banks are normally open for business in New South Wales (excluding Saturday and Sunday).

The time it takes to process your transaction, and the price at which you will be able to buy or sell units in the fund, will vary depending on the administration requirements of the fund manager and market liquidity. Unit prices are determined by the fund manager and are usually calculated daily or weekly. Unit prices at the time of placing a transaction are only a guide and may change as markets move.

Your adviser may place instructions to withdraw only a part of your investment in a managed fund. However, instructions will not be processed if they seek to withdraw 95% or more, but less than 100%, of the total value of your holding in the managed fund.

Once your transaction occurs it will be settled via your Cash Account. This will generally be completed within ten business days. Your adviser will receive confirmation of the transaction and the unit price applicable for that transaction.

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

There may be delays in applying for or realising investments in some managed funds. For example, a delay may occur where the managed fund is suspended.

### **How to switch between managed funds**

You may (through your adviser) instruct the Administrator to switch between your managed funds at any time.

An instruction to switch between managed funds will be processed as a withdrawal from one managed fund followed by an application into another. Your Cash Account will be used as the settlement account — that is, proceeds from the sale of your interest in the managed fund you are withdrawing from will be placed into your Cash Account, and the funds in your Cash Account will then be used for your purchase of the new managed fund.

However, if there are sufficient cleared funds available in your Cash Account at the time the switch request is received, the application for the new fund may be placed before the withdrawal from the first managed fund is finalised.

A switch may incur an investment switching fee, the relevant buy/sell spreads for each of the funds and possibly have taxation implications. Refer to the 'What are the fees and other costs?' section of the Investor Short Guide and the 'Additional information on fees' section of this document for further information.

### **How to reinvest distributions in a managed fund**

When placing your managed fund transaction instructions, you can nominate how you would like your distributions from a managed fund to be dealt with. For example, you may elect to reinvest those distributions. The Administrator will apply the distribution option last nominated for a fund prior to the date the distribution is paid by that fund. If you do not nominate a distribution option, your distributions will be paid into your Cash Account.

Any cash distributions will be paid into your Cash Account when that the money is received from the Fund Manager.

### **Suspended managed funds**

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 including if:

- The fund is no longer liquid within the meaning of the Corporations Act 2001 (Cth), 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.

When a managed fund which is held in a Preferred Portfolio closes (to new and/or additional investments) or is suspended, the fund should be removed from the Preferred Portfolio.

If the suspended fund is not removed from the Preferred Portfolio, the Administrator will continue to implement your Preferred Portfolio to the extent possible. However, any transactions that have been suspended in respect of the fund when the Preferred Portfolio is rebalanced will not proceed and will be cancelled. As these transactions will not be executed in respect of the suspended fund on a rebalance, the resulting percentage allocations of the Preferred Portfolio following the rebalance may no longer be consistent with your requested percentage allocations.

To the extent that a managed fund suspends applications, regular investment plans ('RIP') in respect of the fund will not be completed. If you wish to continue with a RIP in the fund once applications re-open, then you do not need to take any action. However if you no longer wish to invest in this fund, you should instruct your adviser to remove the fund from your RIP.



## 1\_Features of your investment options – continued

Nominated drawdown strategies that include a fund that has suspended withdrawals should be amended as your interests in the suspended fund cannot be sold for the purposes of implementing your drawdown strategy.

If the suspended fund is not removed from your nominated drawdown strategy, the Administrator will implement your drawdown strategy to the extent possible (ie – consistently with your nominated drawdown strategy in respect of funds that can be drawn down) and revert to the default drawdown strategy in respect of the remaining amount (see clause 6 of the ‘Terms and Conditions’ section). Any withdrawal transactions placed in respect of suspended funds as part of your nominated drawdown strategy will be cancelled.

Withdrawals from suspended funds may be allowed from time to time during withdrawal windows declared by the Fund Manager of the suspended fund. The Administrator will notify your adviser if a Fund Manager notifies it of an upcoming withdrawal window for a suspended fund you hold. Your adviser will then be able to place a withdrawal request for you during the withdrawal window dates. If the total amount of withdrawal requests for the suspended fund exceeds the amount available for that particular fund, requests may be met on a pro rata basis by the Fund Manager. Each withdrawal window has different conditions that will be communicated to your adviser.

The Administrator will automatically participate in withdrawal offers on your behalf if you have requested to close your account but continue to hold a suspended fund within your account. Note that, unless you instruct us otherwise, all amounts received in respect of the suspended fund (including distributions) will be retained within your Cash Account until the Administrator is able to realise the full amount of your investment in the suspended fund.

## Listed securities

### QUICK GUIDE TO INVESTING IN LISTED SECURITIES

Investing in listed securities through Wrap is straightforward. Once you have chosen:

- how you want your listed securities to be held (see ‘Selecting a holding option’ below) and
- your broker (see ‘Selecting a broker’ below)

all you need to do is provide a completed Listed Security Transaction Form to your adviser.

This authorises your adviser to place your instructions through the online broker selected by the Administrator or with an external broker selected by you. If you use the online broker, your trade details will be confirmed with your adviser online when the contract note is received by the Administrator. Transaction confirmations can be accessed by visiting [www.investorwrap.com.au](http://www.investorwrap.com.au). If you use your own broker, it will be that broker’s responsibility to confirm transactions to you.

### Selecting a holding option

If you wish to include listed securities in your Wrap account, you will first have to choose how those listed securities are to be held.

Most investors in Wrap can choose for their listed securities to be held in one of two ways, either as:

- 1\_ **custodial holdings**, where the Administrator will hold the listed securities on your behalf in the same way it holds managed funds. At the date of this Investor Guide, the custodial holdings option will only be available to you if you are an Australian resident and have provided the Administrator with a valid Tax File Number (‘TFN’) or reason for exemption, or
- 2\_ **sponsored holdings**, where you hold securities in your own name. You retain direct ownership and securities are not held by the Administrator. To include listed securities in your Wrap account as sponsored holdings, you must agree to be sponsored on CHESS by the Administrator. You do this by completing section 6A(i) of the Investor Registration Form. The sponsorship terms are set out in the ‘Sponsorship Agreement’ section of this Part II – Additional Information and Terms.

The main differences between these holding options are described in the table below.

	<b>Custodial holdings</b>	<b>Sponsored holdings</b>
<b>Who holds the securities?</b>	<p><b>The Administrator holds securities on your behalf</b> The listed securities are held in a similar way to how managed funds are held. The Administrator holds the legal title to your listed securities and you are the beneficial owner of these investments.</p>	<p><b>You hold securities directly</b> You hold securities directly. You are both the legal and the beneficial owner.</p>
<b>Who exercises voting rights?</b>	<p><b>The Administrator has voting rights</b> The Administrator will not seek your instructions in relation to voting and may exercise voting rights without your instructions. Discount cards and other loyalty program benefits may be sent to you in the event that the share registry passes these benefits onto the Administrator.</p>	<p><b>You retain all your rights as a direct holder of securities</b> Those rights may include voting rights, rights to participate in corporate actions, rights to receive notices of shareholder meetings and other communications and rights to participate in loyalty programs.</p>
<p><b>Corporate actions</b> Corporate actions are actions undertaken by a listed entity that affect your investment such as bonus issues and rights issues.</p>	<p><b>The Administrator may participate in corporate actions on your behalf</b> As the Administrator holds the securities, the share registry communications will be sent to the Administrator. If at any time the Administrator is invited to participate in a corporate action in respect of listed securities held in your Wrap account, the Administrator may send any documentation received to your adviser or notify them (in writing or verbally) where information may be obtained in relation to the corporate action.</p> <p>Except to the extent that the corporate action requires the exercise of voting rights, the Administrator will act on the instructions you have provided to your adviser, if the Instructions are received prior to the cut-off time specified by the Administrator. You and your adviser are responsible for transmitting your instructions to the Administrator prior to the specified cut-off time.</p> <p>If a corporate action requires payment, your Cash Account will be debited prior to lodgement of the instruction with the share registry. If you do not have sufficient cleared funds available in your Cash Account at this time or if your instructions have not been received prior to the specified cut-off time, no action will be taken and the Administrator has no liability in relation to the corporate action.</p>	<p><b>You may participate in corporate actions</b> You are the registered holder and the share registry will deal directly with you. You will be responsible for dealing with any communications in relation to corporate actions. The Administrator will not deal with corporate actions for you, though your adviser can assist you with this.</p> <p>The outcome of corporate actions for listed securities sponsored by the Administrator will be reflected automatically in your Wrap account.</p>
<b>Dividends and distributions</b>	<p><b>All dividends and distributions deposited into your Cash Account</b> All dividends and distributions received will be deposited into your Cash Account.</p>	<p><b>Ability to receive returns as cash or additional securities</b> You may receive a form from the relevant share registry asking you to nominate whether you would like to receive your investment returns as cash or additional securities or units. If you want your dividends and distributions to be deposited into your Cash Account, simply provide your Cash Account details to the registry upon request.</p>
<b>Communications from share registries</b>	<p><b>You will not receive communications from share registries</b> Because the Administrator holds the securities on your behalf, you will not normally receive communications such as notices of shareholder meetings from share registries.</p>	<p><b>You will receive communications from share registries</b> You will receive notices of shareholder meetings and other communications from share registries.</p>
<b>Is there a fee for this holding option?</b>	<p><b>Yes</b> A fee will apply if your listed securities are held under the custodial holdings option. Refer to the 'Custodial holdings' in the 'What are the fees and other costs?' section of the Investor Short Guide for further information.</p>	<p><b>No</b> As you hold the securities yourself, we do not charge you a fee for this holding option.</p>

## 1\_Features of your investment options – continued

You should select the holdings option to apply to your listed securities in your Wrap account by completing section 7 of the Investor Registration Form. If you request the Administrator to purchase listed securities on your behalf but do not select a holdings option, the securities will be purchased and held under the sponsored holdings option.

The Administrator may, at its discretion, allow you to transfer your listed securities between sponsored holdings and custodial holdings. Your adviser can assist you to request a transfer.

The length of time it takes for your trade to be completed will depend on market conditions. The Administrator will settle your transaction according to the market settlement rules and market practice.

When you place an instruction, you can set a limit on the price at which you are willing to buy or sell or you can accept the market price at the time the broker executes your instruction. Once your trade occurs, it will be settled via your Cash Account.

### Selecting a broker

Wrap offers you the flexibility to choose to transact:

- through the online broker selected by the Administrator, or
- through another broker of your choice.

If you choose to transact through a broker other than the online broker selected by the Administrator, you authorise the Administrator to rely on instructions from any person that the Administrator reasonably believes to be your broker as if the Administrator had received those instructions from you.

### Term deposits

A range of term deposits are offered through Wrap with a selection of rates and terms. Your adviser can purchase and hold term deposits for you in the same manner as managed funds.

### Unlisted investments (other than managed funds)

The Administrator may, at its discretion, offer you the opportunity to invest in unlisted investments. Such investments may:

- 1\_ have fixed investment terms, which means you may not withdraw your investment early
- 2\_ not be diversified, which often means they could carry a higher risk, and
- 3\_ be illiquid, which means you may not be able to sell your investment quickly or easily (if at all), or withdrawing your interest early could have an adverse impact on the value realised on withdrawal.

## Other financial products available through Wrap

You can also access other financial products including margin lending and insurance through Wrap.

## 2\_The Cash Account

**This section contains additional information on how the Cash Account works.**

Your Cash Account is not a separate bank account. Your cash will be deposited in one or more underlying bank accounts maintained by the Administrator at Westpac. These accounts are designated as trust accounts. Your Cash Account represents your interest in these underlying bank accounts.

The Administrator manages the balances in the underlying bank accounts by (among other things) moving money between the various accounts. These movements of money may occur independently of your instructions. Your Cash Account balance is recorded at all times by the Administrator as the sum of your interest in each of the underlying bank accounts and will not be affected by money moving between the underlying accounts.

### Managing your Cash Account balance

You and your adviser are responsible for ensuring that sufficient cleared funds are available in your Cash Account to cover your transactions and meet payments as they fall due, while maintaining your Cash Account balance above the minimum required level. You can authorise your adviser to place certain transaction instructions with the Administrator on your behalf in order to ensure funds are available to satisfy this requirement. If the balance of your Cash Account falls below the \$2,500 minimum balance, your adviser may ask you to top up your balance by either depositing additional funds into your Cash Account or selling investments.

### One-off transactions and withdrawals

Generally, investment transactions and one-off withdrawals will not be processed if there are not enough funds available in your Cash Account to cover the amounts needed for the transaction or withdrawal while maintaining the minimum required balance in your Cash Account. However the Administrator may, in its discretion, settle certain transactions as described in clause 10 of the 'Terms and Conditions' section.



## Regular fees and payments

In order to ensure you can meet the ongoing advice fee, account keeping fee, insurance payment and any regular withdrawal plan payments, Wrap has a facility which sells your investments in accordance with the 'drawdown strategy' nominated by you, while maintaining the minimum Cash Account balance in order to fund these payments. If you do not nominate a drawdown strategy, investments will be sold according to the default drawdown strategy (see clause 6 of the 'Terms and Conditions' section) and this will be your drawdown strategy.

This means that the payments may be processed even if cleared funds are not available in your Cash Account. If, at any time, the Administrator determines that you will not have sufficient cleared funds available in your Cash Account to cover any upcoming:

- regular withdrawal plan payments as they fall due
- insurance premium
- ongoing advice fee, account keeping fee or other payments,

while maintaining the minimum required balance in your Cash Account, your Cash Account will have a 'shortfall' equal to the amount required to fund the payments and maintain the minimum required balance in your Cash Account. The shortfall will be funded by the sale of your investments in accordance with your drawdown strategy.

### Nominated drawdown strategy

To nominate a drawdown strategy arrange for your adviser to submit a completed Nominated Drawdown Strategy online on your behalf.

Please note in connection with this drawdown facility:

- where you have a Preferred Portfolio (described in section 3 'Transaction options' in the 'Benefits and Features' section of this document), you instruct the Administrator to sell your holdings on the terms described in clause 6 of the 'Terms and Conditions' section
- transaction fees will not apply to transactions processed under the facility but any listed securities transactions will be placed with the online broker (even if you have chosen a different broker for your other transactions) and brokerage will still apply
- managed funds that are illiquid, not priced daily or have withdrawal restrictions should not be included in your drawdown strategy as withdrawals from such managed funds may not be processed under the facility in time to fund the relevant payment. The Administrator may remove these funds from your drawdown strategy, and
- if separate transaction instructions are received by the Administrator or any unrelated payment is processed after a sell down of investments under the facility has commenced, it is possible that the proceeds of the sell down may be appropriated to the subsequent transaction or payment. If this occurs, the payments to which the sell down relates may not be processed. The Administrator may then sell additional holdings to make those payments.

For more information, please refer to 'When we may sell your investments without seeking further instructions' in clause 6 of the 'Terms and Conditions' section.

## 3 Transaction options

Wrap makes it easy for you to invest and withdraw your money by giving you a number of ways you can transact with us. This section contains details on the transaction options and how they will operate.

You can choose from a range of flexible transaction options that have been designed to make investing and accessing your Wrap account easier.

### Investments and withdrawals

You can make deposits into and withdrawals from your Cash Account by:

#### 1 One-off direct debit

You can instruct your adviser to make one-off deposits from your nominated external bank account to your Cash Account, provided you have linked your bank account to your Cash Account.

You can also permit third parties, to whom you owe money, to source direct debit payments from your Cash Account.

#### 2 Cheque and deposit book facility<sup>1</sup>

A deposit book is available to allow you to deposit funds into your Cash Account from any Australian bank account.

In addition, you can access your available Cash Account balance easily by using a cheque book. To apply for a cheque or deposit book, simply complete section 12 of the Investor Registration Form.

If you choose to apply for the cheque book facility you will need to meet identification requirements set down by legislation before a cheque book can be issued. Additional customer identification information as required under the Anti-Money Laundering ('AML') and Counter Terrorism Financing ('CTF') Act 2006 will also need to be met before a cheque book can be offered. An IFSA/FPA identification form must be completed for each signatory nominated unless the signatory has previously provided identification information to us.

<sup>1</sup> Refer to 'Cheque and deposit book conditions' in the 'Terms and Conditions' section.



### 3\_ Transaction options – continued

#### 3\_ B<sub>PAY</sub><sup>1</sup>

Initial and additional deposits can be made into your Cash Account using B<sub>PAY</sub>.

Your adviser will receive notification of your client number, which you will need in order to make your initial deposit via B<sub>PAY</sub>.

#### TO MAKE A DEPOSIT USING B<sub>PAY</sub>:

- 1\_ Access your bank's phone or internet banking service and select the B<sub>PAY</sub> option.
- 2\_ Enter the Biller Code.  
– The Biller Codes for initial and/or additional deposits is 81984.
- 3\_ Enter the Customer Reference Number ('CRN') for your Wrap account. The CRN is 0101 + your investor number (exclude the M). For example, if your investor number is M01234567, your CRN will be 010101234567.
- 4\_ A receipt number will be provided for your transaction. Please keep this for your records.

#### Withdrawals on request

You can provide instructions to withdraw funds from your Cash Account on a regular or one-off basis. These funds will be deposited into your nominated external bank account. If you would like to fund part of a one-off withdrawal from the sale of assets, you must arrange this prior to lodging your withdrawal request.

In exceptional circumstances, such as if a managed fund becomes illiquid or has withdrawal restrictions, it may take some time to access your funds.

#### Regular deposit plan

Your adviser can help you to set up a regular deposit plan. Specific features and terms of the regular deposit plan are set out in the table below.

Flexibility	Date to establish, change, suspend or cancel
<p>Your regular deposit plan allows you the flexibility to determine the following:</p> <ul style="list-style-type: none"> <li>→ the month to commence your regular deposit plan</li> <li>→ how often deposits are made:                             <ul style="list-style-type: none"> <li>– monthly</li> <li>– quarterly (March, June, September and December)</li> <li>– half-yearly (June and December), or</li> <li>– annually (June)</li> </ul> </li> <li>→ the amount of your regular deposit</li> <li>→ the month when your regular deposit plan ends.</li> </ul>	<p>Instructions (however they are sent) must be received by the 15th of the month to allow them to be processed for that month.</p> <p>Your regular deposit plan will be automatically cancelled when you withdraw your entire balance from your Cash Account.<sup>2</sup></p>

If instructions submitted online also include instructions to establish, change, suspend or cancel a regular deposit plan and they are received after the 15th of the relevant month, the instructions in relation to the regular deposit plan may not be processed for that month. This may affect the extent to which the Administrator is able to process your instructions in relation to your regular investment plan, if you have one. Your adviser is responsible for placing instructions online on your behalf.

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1\_ Registered to B<sub>PAY</sub> Pty Limited ABN 69 079 713 7 518. Applications by B<sub>PAY</sub> will generally not be processed until the next business day following the B<sub>PAY</sub> transaction request, provided that the request is made before your bank's cut-off time (usually 6.00pm Sydney time). Your bank will provide detailed terms and conditions in relation to B<sub>PAY</sub> to you. You

cannot use your credit card to make B<sub>PAY</sub> investments. Any investment request generally cannot be reversed.  
2\_ If a regular deposit plan or regular investment plan fails (eg there is insufficient cash in the nominated external bank account) for three consecutive periods, it may be cancelled by the Administrator.

## Regular investment plan

Your adviser can help you to set up a regular investment plan. Specific features and terms of the regular investment plan are set out in the table below and in clause 9 of the 'Terms and Conditions' section.

<b>Flexibility</b>	<b>Date to establish, change, suspend or cancel</b>
<p>Your regular investment plan allows you the flexibility to determine the following:</p> <ul style="list-style-type: none"> <li>→ the month to commence your regular investment plan</li> <li>→ how often investments are made <ul style="list-style-type: none"> <li>– monthly</li> <li>– quarterly (March, June, September and December)</li> <li>– half-yearly (June and December), or</li> <li>– annually (June)</li> </ul> </li> <li>→ the amount of your regular investment</li> <li>→ the month when your regular investment plan ends (provided that the regular deposit plan lasts for at least six months).</li> </ul>	<p>Mailed instructions must be received by the 15th of the relevant month to allow them to be processed for that month.</p> <p>Instructions submitted by your adviser online will be processed provided they are received by the Administrator at any time before the date on which the relevant funds would need to be deducted from your Cash Account in order to make the investment. Regular investment plans must be set up for a period greater than six months!</p>

If instructions submitted online also include instructions to establish, change, suspend or cancel a regular deposit plan and they are received after the 15th of the relevant month, the instructions in relation to the regular deposit plan may not be processed for that month. This may affect the extent to which the Administrator is able to process your instructions in relation to your regular investment plan. Your adviser is responsible for placing instructions online on your behalf.

If you fully withdraw from a managed fund that forms part of a regular investment plan, the managed fund will be removed from the regular investment plan. If this is the only managed fund within the regular investment plan, the regular investment plan itself will be cancelled.

## One-off withdrawals

You can provide instructions to withdraw funds from your Cash Account.

<b>Flexibility</b>	<b>Date to establish, change, suspend or cancel</b>
<p>One-off withdrawals allow you access to your funds, as you require. Your funds will generally be available in your nominated external bank account within 48 hours of receipt of your withdrawal request. This may be longer if you have a credit union account.</p>	<p>Not applicable</p>

## Regular withdrawal plan

Your adviser can help you to set up a regular withdrawal plan. Specific features and terms of the regular withdrawal plan are set out in the following table.

<b>Flexibility</b>	<b>Date to establish, change, suspend or cancel</b>
<p>Your regular withdrawal plan allows you the flexibility to determine the following:</p> <ul style="list-style-type: none"> <li>→ the month to commence your regular withdrawal plan</li> <li>→ how often withdrawals are made <ul style="list-style-type: none"> <li>– monthly</li> <li>– quarterly (March, June, September and December)</li> <li>– half-yearly (June and December), or</li> <li>– annually (June)</li> </ul> </li> <li>→ the amount of your regular withdrawal</li> <li>→ the month your regular withdrawal plan ends.</li> </ul>	<p>Instructions (however they are sent) must be received by the 15th of the relevant month to allow them to be processed for that month.</p> <p>However, if you wish to establish or change a regular withdrawal plan and, to provide funds in respect of the new or amended instructions, you rely on the drawdown facility described in the 'Nominated drawdown strategy' section, the Administrator must receive your instructions at least ten business days before the relevant payment date to be implemented for that period.</p>

1\_ If you cancel your regular investment plan within six months, investment switching fees may apply.



### 3 Transaction options – continued

#### Transferring assets

The process for transferring an investment that you currently hold outside Wrap into your Wrap account will vary depending on whether the investment is an interest in an eligible managed fund or a listed security.

#### Managed funds

If you have investments in any of the managed funds currently offered in Wrap, you may be able to transfer them into Wrap. You will need to complete an Australian Standard Transfer Form and provide a full tax history for your investments. Ask your adviser for help with this.

Any distribution reinvestment option previously elected will no longer apply once assets are transferred. You will need to resubmit your distribution elections once the assets are transferred.

#### Listed securities

If you already have ASX-listed CHESS-sponsored securities and would like to transfer them into your Wrap account, you will need to:

- complete a Release Authorisation Form
- advise your current CHESS sponsor and
- provide a full tax history for your investments by completing the Listed Security Transfer Form.

You will need to do this regardless of whether you select the custodial holdings option or the sponsored holdings option in section 7 of your Investor Registration Form (see the 'Listed securities' section above).

If you have issuer-sponsored listed securities, your adviser can help you convert them to be held under either holdings option by completing the Listed Security Transfer Form.

#### Preferred Portfolios

##### How a Preferred Portfolio works

A Preferred Portfolio involves rebalancing your investments in managed funds in accordance with your pre-determined investment strategy either on a periodic basis or as you direct through your adviser at any time.

If you elect to use the Preferred Portfolio facility, your adviser must receive written authorisation from you to instruct the Administrator to perform any transactions in relation to your Preferred Portfolio. This includes:

- setting up the investment allocations and making initial investments
- rebalancing your Wrap account according to your Preferred Portfolio percentage allocations, where your investment no longer reflects your pre-determined strategy as a result of price movements or reinvested distributions. (Instructions for periodic rebalancing are required once only.)
- varying the underlying investments or percentage allocations of your Preferred Portfolio and rebalancing to reflect the changes.

Clause 8 of the 'Terms and Conditions' section sets out:

- the terms of your instruction to the Administrator to act on the Preferred Portfolio instructions from your adviser or representative and
- the circumstances in which transactions to rebalance your Wrap account may not be implemented.

##### Periodic rebalancing

By providing your adviser with an authority to periodically rebalance your Wrap account, you instruct the Administrator to acquire or dispose of your underlying managed funds as required to maintain the allocations specified for your Preferred Portfolio.

You may instruct the Administrator to undertake periodic rebalancing:

- quarterly, in the last month of the quarter (March, June, September and December)
- half-yearly in June and December or
- annually in June.

##### Disclosure documents

Before you make any decision in relation to a Preferred Portfolio, you must obtain the required Product Disclosure Statement or other disclosure document(s) for the relevant underlying managed fund. These documents contain more detail in relation to those managed funds, how they operate, what your rights are and the risks of the funds. You have a right to receive these current disclosure document(s) free of charge and on request from your adviser.

##### There are some managed funds you can not include in your Preferred Portfolio

Managed funds that are illiquid, priced monthly (or less frequently) or have withdrawal restrictions must not be included in your Preferred Portfolio investment allocation. This is because withdrawals from such managed funds may not be able to be processed under the facility in time to fund the payments required to rebalance your portfolio.

## 4\_Closing your Wrap account

You can close your Wrap account at any time by instructing your adviser or the Administrator in writing.

If you hold managed funds, they will generally be redeemed and the proceeds deposited into your Cash Account. Alternatively, your adviser will be able to tell you if you are eligible to receive a transfer of your holdings in managed funds. Generally, investments in wholesale managed funds cannot be transferred to you. Your listed securities can be either:

- sold by the online broker or your broker, and the proceeds deposited into your Cash Account, or
- transferred to issuer-sponsored stock, or to another CHESSE sponsor. Your adviser can help you do this.

Once all your investments are redeemed or sold and the proceeds deposited into your Cash Account, funds from your Cash Account (less any applicable fees and costs) will be deposited into your nominated external bank account. Closing your Wrap account may take up to 30 calendar days depending on fund managers, market liquidity or any pending distributions. In exceptional circumstances, such as if a managed fund becomes illiquid or has withdrawal restrictions, it may take longer to close your account.

The Administrator will not charge a fee to close your Wrap account. However, investment switching fees and transaction fees will apply if listed security trades or managed fund transactions are required to close your investment in Wrap. The responsible entity of managed funds may also charge fees. You are responsible for any costs, tax or stamp duty consequences of investing in or exiting Wrap.

## 5\_Authorised representatives

**You can appoint another person (called your 'representative') to make decisions about your Wrap account for you. This section sets out information about how you do it.**

### **Appointing a representative**

Generally, you may appoint a representative to operate your Wrap account on your behalf. If you appoint a representative, you are giving them the right to make decisions on a discretionary basis. This authority provides your representative with broad powers over your Wrap account, including the authority to place transactions for you via your adviser without consulting you or receiving your specific permission. Please check with your adviser to find out whether they can act as your representative.

However, there are certain things that your representative cannot do for you. Please refer to clause 3 in the 'Terms and Conditions' section for more information.

You can appoint a representative by nominating the representative on your Investor Registration Form, or by advising the Administrator in writing.

### **Who can be your representative?**

You can nominate a natural person, a company or a partnership to be your representative, however your representative must be acceptable to the Administrator. If your representative is a natural person, they must be at least 18 years. If you nominate a company as your representative, you appoint each director, authorised officer and corporate representative of that company as your representative. If your representative is a partnership, you appoint each partner of the partnership as your representative.

### **The Administrator can act on your representative's instructions**

If a person who the Administrator reasonably believes is your representative or a person to whom the powers of the representative extend (such as the director of the company, if your representative is a company) exercises any powers in relation to your Wrap account, it will be treated as if you had personally exercised those powers. The Administrator makes no enquiry as to whether you have given your representative a specific instruction prior to acting on the instructions of your representative.

This arrangement will continue until the Administrator receives written notice from you that you have revoked the authority given to your representative. You can revoke the authority given to your representative at any time.

If you appoint a representative, you (and any person claiming through you) release the Administrator from, and indemnify the Administrator against (and therefore must compensate the Administrator for), all losses and liabilities arising in connection with all actions, claims, proceedings, costs and demands arising directly or indirectly in connection with the Administrator acting on the instructions of your representative or the acts or omissions of your representative.

If you appoint a representative, you cannot later claim that your representative was not acting on your behalf.

# Additional information on fees

Some information on fees payable in connection with Wrap is contained in the Investor Short Guide. This section is intended to complement the information in the Investor Short Guide.

## **BT Wrap Advantage fee rebate**

To receive a monthly Wrap Advantage fee rebate, you need to be invested in at least one of the managed funds in the Advantage Investment Series at the end of the calendar month and an account keeping fee must have been charged to your Wrap account for that month.

This rebate is calculated as 0.1% pa of the average of the opening and closing balances for the month of your investment in the Advantage Investment Series funds held in your Wrap account. The rebate is paid monthly into your Cash Account.

The Administrator may change the amount of the rebate paid, the way the rebate is calculated, the funds to which the rebate relates or remove the rebate altogether at its discretion.

For a full list of the current managed funds in the Advantage Investment Series, speak to your adviser, refer to the latest Available Managed Funds List or refer to [www.investorwrap.com.au](http://www.investorwrap.com.au).

## **Investment manager fees**

The managed funds offered through Wrap are managed and operated by third parties that charge fees and costs for the management and administration of the managed funds. The investment returns for each managed fund that you see in your Wrap account are net of the fees and costs. That is, the fees and costs are deducted from the value of your units in the managed fund before the unit price is calculated.

In addition to the ongoing fees and costs for the managed funds, some fund managers charge contribution and withdrawal fees. These may be charged either:

- as an amount added (or subtracted) as part of the entry (or exit) price, when you acquire (or dispose) of an investment (depending on whether a contribution or withdrawal fee is being charged), or
- deducted from your Wrap account balance, when you acquire (or dispose) of an investment.

The amount of these fees varies between fund managers and details are set out in the Product Disclosure Statement or other disclosure document(s) for the relevant investments.

Further information regarding fees and costs for each managed fund is provided in the latest Available Managed Funds List and the Product Disclosure Statement or other disclosure document(s) for these managed funds.

## **Cash Account fee**

The Cash Account fee is charged by the Administrator for the administration of your Cash Account. This amount is not separately deducted from your Wrap account balance. This fee is the difference between the rate of interest earned by the Administrator on its underlying bank accounts, in which the money in investors' Cash Accounts is deposited, and the rate of interest the Administrator pays to you on the money in your Cash Account.

The declared rate of interest will not be lower than the average of the interest rates for the four major Australian banks for their cash management accounts for balances of \$10,000.

## **Transaction costs**

If you acquire or sell listed securities using the online broker, brokerage will be charged at the rate of 0.10% of the value of the transaction with a minimum charge of \$39 per trade. This is deducted from your balance in your Cash Account at the time the transaction is settled. The Administrator may receive up to 100% of brokerage charged for listed security transactions placed with the online broker.

If you use an external broker, they will negotiate a fee directly with you. This fee will be reflected in the acquisition or disposal cost and will be deducted from your Cash Account at the time of settlement. If the trade cannot settle, any dishonour fee charged by your broker, and any other costs passed on to the Administrator associated with the failed trade, will be deducted from your Cash Account. These fees are deducted at the time the trade fails to settle, or at the time they are passed on to the Administrator.

Transaction costs are an additional cost to you.

## **Buy/sell spread**

When buying and selling units in unlisted managed funds, the fund manager is generally entitled to charge the unitholder an amount representing

a contribution to the cost of purchasing or selling the underlying assets. These costs include things like brokerage and stamp duty. The charge is usually reflected in the difference between the entry price and exit price of a unit and is commonly referred to as a buy/sell spread. The buy/sell spread is charged by the fund manager and is applied before the unit price is provided to the Administrator. The buy/sell spread has two components:

- an amount added as part of the calculation of the entry price, payable when you acquire an investment, and
- an amount subtracted as part of the calculation of the exit price, payable when you dispose of your investment.

The buy/sell spread is an additional cost to you.

When carrying out a managed fund transaction, the Administrator may offset your instructions to buy or sell assets against another investor's instructions to sell or buy those assets so that only net transactions are acted on. This process is known as 'netting'. The Administrator will retain any benefit that may be secured from netting. These include the fees and charges that would have applied had the transaction been processed without netting.

#### Accounts set up with a Preferred Portfolio

Investment switching fees will be waived for any managed fund transaction processed using the Preferred Portfolio facility.

If you switch out of a Preferred Portfolio, you will be charged the balance of the full annual Preferred Portfolio fee for the current year, which will be deducted from your Cash Account monthly until the end of the year.

#### Voice Response Service ('VRS') fee

You will be charged a Telstra fee (currently \$0.55 per minute — higher for mobiles and other phone carriers) for using the telephone VRS. This will be billed to your phone account. The Administrator may receive a portion of the Telstra fee charged to you for using the telephone VRS.

#### Cheque and deposit book fees

The Administrator may charge cheque and deposit book fees. If these fees are charged, they will be deducted from your Cash Account at the following rates:

A cheque book containing 20 cheques/ 10 deposit slips	\$5
Request to stop or alter a transaction	\$20
Request for a cheque to be traced	\$20
Special clearance (at time of investment only)	\$15
Dishonoured cheques:	
→ deposited by you	\$35 per cheque
→ written by you	\$35 per cheque

#### Other fees and costs

All Government and other fees and costs (including bank fees, stamp duty, fees for dishonoured cheque, fees for failed transactions and penalty interest), incurred as a result of a contribution or withdrawal, will be passed on to you. If you request any documents from the Administrator regarding managed funds, you may be charged the costs of obtaining and mailing the documents to you (minimum charge \$10). This charge may be deducted from the balance in your Cash Account at the time of the request.

You also provide indemnities to the Administrator and its agents. Refer to clause 2 of the 'Terms and Conditions' section.

#### Taxes

Information regarding some taxes relevant to your Wrap account is set out in the 'Additional Information on tax' section in this Investor Guide.

All fees in this section are expressed as inclusive of any applicable goods and services tax ('GST') and are net of any applicable reduced input tax credits ('RITCs')<sup>1</sup>.

#### Changes in fees and costs

The Administrator may change the amount of fees or introduce new fees. The Administrator will give you 30 days written notice before any increase in any fees or the introduction of new fees.

In the event of any change in tax laws or their interpretation which affects the rate of GST payable or the RITCs that the Administrator may receive, the amounts deducted from your Cash Account in respect of the fees and costs applied to your Wrap account may be varied or adjusted to reflect such changes without your consent or further notice to you.

#### Waivers of fees and costs

Generally the amounts of the fees and costs that will apply to your Wrap account will be as disclosed in this Investor Guide unless the Administrator gives you 30 days notice of any increase.

However, the Administrator may, at its discretion, either generally or on request from you or your adviser, reduce or waive any of the fees and costs.

#### Fee entitlements, allocations and platform payments

The Administrator may pay to your adviser, your adviser's dealer group and/or the Distributor up to 100% of the fees and other payments it receives.

The Administrator may also pay to your adviser or your adviser's dealer group up to 100% of the amounts referred to under 'Product access payments and fund manager payments' below.

More specific details will be outlined in the statement of advice that is provided to you by your adviser.

<sup>1</sup> Refer to 'GST' in the 'Additional information on tax' section for further information.



## Additional information on fees

— continued

### **Product access payments and fund manager payments**

The Administrator may receive the following payments from fund managers:

- fund manager payments of up to 1.95% pa of the total amount invested in a managed fund accessible through Wrap, and
- product access payments of up to \$25,000 pa (per fund manager) plus between \$5,000 and \$15,000 pa (per managed fund accessible through Wrap).

The amount of these product access and fund manager payments may change. Product access and fund manager payments are paid by the fund managers or operators out of their own resources and are not paid by you.

### **Register of alternative forms of remuneration**

The Administrator maintains a register that outlines the material alternative forms of remuneration that it pays to some distributors of the Service or receives from providers of some of the products that are available through Wrap. The register is publicly available and you can obtain a copy by contacting the Administrator on 1300 657 010.

### **Related party investment arrangements and transactions**

Some of the managed funds available through the Service are operated by Westpac Group companies and they receive fees for doing so. Members of the Westpac Group may also hold on deposit the monies of your Cash Account on a daily basis and may perform other services in relation to assets (such as underwriting their issue). Related parties will receive fees for services they provide.





# Additional information on tax

This section gives you information relating to the disclosure of your Tax File Number and Goods and Services Tax.

## Tax File Numbers

The Administrator is authorised to collect TFNs by the tax laws and Privacy Act. Those laws also regulate how the Administrator may use your TFN or disclose it to others. You do not have to tell the Administrator your TFN, but if you do not, the Administrator may be required to take tax out of your distributions, dividends and interest earned on your Cash Account at the highest marginal tax rate plus the Medicare levy. (However, you may be able to claim an exemption — contact the Australian Taxation Office ('ATO') or your tax adviser for more information). By quoting your TFN, you authorise the Administrator to apply it for your Wrap account and the investments acquired for you. If you include listed securities in your Wrap account, you should notify the share registry of your TFN. You authorise disclosure to the Australian Taxation Office as the Administrator considers necessary to give effect to your instructions. For more information about the use of TFNs, contact the ATO.

If you are not an Australian resident for tax purposes, then interest, dividends and distributions that are paid to you from an Australian source may be subject to withholding tax. You are subject to the tax laws in your country of residence and should obtain tax advice before investing.

## GST

You agree that the Administrator will apply any reduced input tax credits it receives to complete payment of the total GST inclusive amount of fees that apply to your Wrap account.

If you are registered for GST purposes and you have provided the Administrator with your Australian Business Number:

- when capitalising your investments for tax calculation purposes, the Administrator will take into account RITCs on brokerage fees if you utilise the online broker. If you do not use the online broker, to ensure your investment is capitalised correctly, your broker must advise the Administrator of the brokerage amount on the same day that they place the trade, and
- the Administrator will make tax invoices available for services provided by your adviser, so that you may claim any input tax credits to which you are entitled for those services.

# Other important information

## Who is the Administrator?

BT Portfolio Services Ltd is the Administrator of Wrap, and is responsible for the Wrap services it offers to you.

The Administrator is also the custodian and holds your cash, managed funds and listed securities (held as custodial holdings) for you under the Nominee Deed. The Nominee Deed deals with such matters as holding and dealing with cash, managed funds and listed securities (held as custodial holdings), limits on the Administrator's liability, its ability to be indemnified for expenses, and termination of the Service.

Assets held for you will be aggregated with assets held for others, although the Administrator will maintain details of all assets held for you in its records.

By registering with Wrap and selecting the sponsored holdings option, you agree to be sponsored for ASX settlement purposes by the Administrator. The terms of the sponsorship agreement are included in this Part II — Additional Information and Terms.

The Administrator has engaged an online broker to provide execution-only broking services. The terms on which this Service is provided are outlined under 'Execution only broking service' in this section.

If you choose your own broker, they alone are responsible to you for the services they provide you.

## Regulation

Wrap is an investor directed portfolio service so far as it relates to the cash, managed funds and listed securities (held as custodial holdings) which are held by the Administrator for users of Wrap and the reporting services the Administrator provides. It is not a stock exchange for managed funds or listed securities. You are the beneficiary of any investments held by the Administrator on your behalf.

The cash, managed funds and listed securities (held as custodial holdings) aspect is partially governed under a document called a Nominee Deed. By registering with Wrap, you agree to be bound by the Nominee Deed. You can obtain a copy of the Nominee Deed from the Administrator free of charge.

Wrap is regulated under the *Corporations Act 2001* (Cwlth) ('Corporations Act') by the Australian Securities and Investments Commission ('ASIC') (which calls these 'Investor Directed Portfolio Services'). ASIC has modified or amended some provisions of the Corporations Act that apply to Investor Directed Portfolio Services and may amend them again from time to time. Wrap is not registered as a managed investment scheme under Chapter 5C of the Corporations Act.

The Administrator holds an Australian Financial Services Licence under the Corporations Act. You can get a copy of the relevant ASIC Class Order relating to the cash, managed funds and listed securities (held as custodial holdings) aspect of this Service through your adviser, or for general information on ASIC's policies visit [www.asic.gov.au](http://www.asic.gov.au) and look for information on 'Investor Directed Portfolio Services'.

Services that your adviser may provide in relation to Wrap will also be regulated under the Corporations Act. Those services provided by your adviser do not form part of Wrap and the Administrator is not responsible for them. In providing such services your adviser will be required to comply with disclosure, licensing and other obligations under the Corporations Act.

## Financial crimes monitoring

The Administrator has regulatory and compliance obligations to help prevent money laundering and the financing of terrorism. To comply with these obligations:

- transactions may be delayed, blocked or refused where the Administrator has reasonable grounds to believe that they breach Australian law or the law of any other country
- the Administrator may from time to time require additional information from you to assist the Administrator in this process.

Where legally obliged to do so, the Administrator may disclose the information gathered to regulatory and/or law enforcement agencies.

You must not initiate, engage in or effect a transaction that may be in breach of Australian law (or the law of any other country).

### **Execution-only broking service**

The Administrator is not, and does not hold itself out as being, a member of the ASX or a broker.

Accordingly, the Administrator has arranged the online broker to provide an execution-only broking service to you in relation to your instructions to buy or sell listed securities over the Wrap internet site. When your adviser enters your instructions over the internet site, you instruct the Administrator to instruct the online broker to execute identical instructions on your behalf. The Administrator will reflect these instructions in your Wrap account.

The Administrator's agreement with the online broker requires the online broker to endeavour to provide the best execution for these instructions. In relation to transactions made over the internet site, the online broker will not act on any instructions it receives directly from you.

The Administrator may, as agent for you as undisclosed principal, be entitled to make a claim against the National Guarantee Fund under Part 7.5 of the *Corporations Act 2001* (Cwlth) ('Corporations Act') if the online broker becomes insolvent, makes an unauthorised transfer, or defaults on its obligations to settle a transaction.

In general terms, the National Guarantee Fund is designed to guarantee the completion of all sales and purchases of ASX-listed, CHESS-sponsored securities made through a broker, provided the transaction is a 'reportable transaction' as defined in the Corporations Act. Under the Corporations Act, if a person is entitled to claim, it must generally serve a written claim on the Securities Exchange Guarantee Corporation within six months from the day it first became entitled. If the Administrator makes a claim on your behalf, it will pass on to you the benefit of any such entitlement or claim, net of any costs incurred in making that claim.

### **When we may not act on your instructions**

You should note that in exceptional circumstances we are not required, and may not, act on your instructions. For more detail on the kinds of circumstances in which we are not required to act on your instructions, please refer to clause 4 of the 'Terms and Conditions' section.

### **When we may sell your investments without seeking further instructions**

There are a number of circumstances in which we may sell investments in your portfolio without seeking your specific instructions. Those circumstances are specified in clause 6 of the 'Terms and Conditions' section.

### **Participation in legal proceedings**

The Administrator is under no obligation to institute, defend or otherwise participate in legal proceedings (including class actions) on your behalf. If you have an investment affected by such proceedings, **the Administrator** may (but is not obliged to) notify you and, where possible, permit your investments to be transferred to you on request, to be held by you directly. Once you have direct ownership, you may then be able to participate in such proceedings as the registered holder. However, **the Administrator** recommends that you seek independent legal advice should you wish to do so.

If you already hold affected investments directly, you may receive notice of any such proceedings directly and can choose whether or not to participate.

### **Incomplete or invalid applications**

Incomplete or invalid applications cannot be accepted and will be invested in a holding account until the correct information is received. The Administrator will attempt to contact you via your adviser, normally within seven business days, but in times of high demand this may take longer.

If the Administrator has not received the correct information within one month, your investment may either be returned to you or, if your investment was rolled over from a superannuation fund, returned to the rollover institution. The Administrator 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 the Administrator and it is not required to account to you for the interest earned.



# Terms and Conditions

## 1\_Your contract with us

By signing the Investor Registration Form, you offer to enter into a contract with BT Portfolio Services Ltd ABN 73 095 055 208 (us, we). That contract is formed when we accept your application. We refer to that contract in these terms and conditions as **your contract with us**.

The terms of **your contract with us** comprise the terms and conditions:

- in the Investor Registration Form
- in the **Nominee Deed** (this is the trust deed for Wrap and contains the terms of our contract with you that are required under the IDPS Class Order. A copy of the **Nominee Deed** is available from us free of charge on request, and
- in these Terms and Conditions.

We may vary the **Nominee Deed** in accordance with the **Nominee Deed** and we may vary these Terms and Conditions in accordance with clause 16. **Your contract with us** at any time comprises the latest version of those documents.

If you elect to hold listed securities as sponsored holdings, you also enter into a separate contact with us on the terms of the CHESS Sponsorship Agreement.

Words and phrases that have a special meaning are written **like this** and their meaning is explained in clause 21 of these Terms and Conditions.

## 2\_Your responsibilities

You are responsible for all investment decisions and for monitoring **your portfolio**.

You indemnify us, the **bank**, our officers and our agents against (and therefore you must pay us for) all damages, liabilities, costs and expenses (including legal costs on a full indemnity basis) arising out of or in connection with:

- acts or omissions of the **Distributor** or its agents
- us properly acting under **your contract with us** including by acting or not acting on **your instructions**
- use of the cheque and deposit book facility, whether such loss or liability arises by unauthorised or fraudulent use or purported use of cheques or otherwise
- any act or omission of you, **your adviser**, your broker, **your representative** or any other agent of yours
- your use of the **facilities**

- the acts or omissions of the **online broker** or any other broker acting or purporting to act on your behalf, or
- fees and costs incurred by us properly acting under **your contract with us**.

You also release us, the **bank**, our officers and our agents from all claims, actions and proceedings relating to those matters.

Each release and each indemnity in relation to each of the matters set out in the points above operates separately and independently and is not exclusive of any separate remedy available at law. The indemnities and releases are given only to the extent permitted by law. These indemnities and releases are continuing obligations and survive termination of **your contract with us**.

We hold the benefit of your releases and indemnities in favour of the **bank** and our officers and agents on trust for those persons and may enforce them on their behalf.

## 3\_How can you give us instructions?

### Through your adviser

You are able to give us instructions relating to **your portfolio**, for example instructions to buy, sell or switch between investments. You agree that you will give us instructions only through **your adviser** who will act as your agent. When you instruct **your adviser** to do something, they will give us those instructions as if you had given them to us directly.

You also appoint **your adviser** to:

- receive information and reports on your behalf (including reports we are required by law to give to you), and
- request deposits into or withdrawals from your nominated external bank account.

### Through your representative

In addition to appointing **your adviser** as your agent, you appoint the person named in your Investor Registration Form (and any other person you notify to us in writing) as **your representative** to give us instructions on your behalf. Unlike the appointment of **your adviser** referred to above, **your representative** is not required to obtain **your instructions** prior to giving us instructions on your behalf. You will be bound by all instructions that we reasonably believe have been given by **your representative** even if you have not instructed or asked **your representative** to give us those

instructions. These instructions may relate to any matter on which you can give us instructions except instructions to:

- request a cheque to be drawn from **your account** or any other payment be made to a third party
- change your address information or bank account details held by us
- appoint other representatives in accordance with these conditions, or
- change any fees or costs payable by you.

**Your representative** must be acceptable to us in our discretion. You must tell us in writing if you wish to revoke the authority of **your representative**.

#### Through your broker

If you appoint your own broker, you authorise us to rely on instructions from any person we reasonably believe to be your broker as if we had received them from you.

## 4\_When will **your instructions** not be acted on?

We will generally act on **your instructions** to withdraw from an investment or to make a withdrawal from your **Cash Account** within two business days of receiving them.

We are not required to act on **your instructions** in exceptional circumstances, such as:

- if you provide more than one instruction and there are not sufficient cleared funds available in your **Cash Account** to process all of them, we can choose which ones are acted on (in whole or part)
- if there are not sufficient cleared funds available in your **Cash Account** to implement a **corporate action** or pay for your purchases (while maintaining the **minimum balance**), or in the case of a sale, sufficient assets to sell
- when acting would be against the law or contrary to **your contract with us**

- when we are not reasonably satisfied that all necessary documentation has been received, is not defective and is properly completed
- where the person acting on the instructions cannot act or believes that the instruction is not genuine or properly given (although we do not enquire as to whether this is the case)
- if **your adviser** breaches their participation conditions or is considered unacceptable by us or any Westpac Group company
- if the meaning of **your instructions** is uncertain or not in an acceptable form, or the person acting on them is not indemnified to their satisfaction
- if you are in default of **your contract with us** or it is terminated, or
- in certain circumstances, if you have a **margin loan**.

## 5\_Your specific instructions

**You instruct** us to:

- **(Cash Account)** deal with your interests in the underlying bank accounts that make up your **Cash Account** by adjusting the extent of your interest in each of those accounts in our records in accordance with our processes, provided that the aggregate balance of your **Cash Account** is not changed through us acting on this instruction
- **(incorrect payment)** to deduct an amount from **your portfolio** equal to any amount incorrectly paid to you or any third party
- **(margin loan)** act in accordance with any request or directions from any person who has a mortgage or other security interest over any part of your portfolio without reference to you and even if you give different instructions, and
- **(general)** take any other action in relation to **your account** that may be necessary or desirable for operating **your account** as contemplated by the **Investor Guide** and in accordance with the product features and options you have selected in your Investor Registration Form.

You agree not to vary these instructions.

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

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

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



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

- (a) if you have a Preferred Portfolio, on a pro-rata basis across all of your investments whether or not all of your investments are subject to the Preferred Portfolio), or otherwise
- (b) if you have a BT **margin loan** and have not nominated a drawdown strategy, from a drawdown of your BT **margin loan** (if available) otherwise
- (c) in accordance with any drawdown strategy you have nominated, otherwise
- (d) in the following order:
  - first, managed funds that are no longer available on **Wrap**
  - second, managed funds, starting with the holding having the highest value
  - and then, listed securities starting with the holding having the highest value.

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

## 7\_What we are not responsible for

We are responsible for acting on **your instructions** in accordance with these Terms and Conditions. However, we are not responsible for:

- anything that is not our fault or within our reasonable control
- **your instructions** properly acted on, or reliance on a document or message which we had no reason to believe was not authentic (although we are not obliged to verify this) or delays caused by calling in good faith for further authentication of **your instructions**
- reliance in good faith on information or advice
- failure to do anything not able to be done under current or future law, or for payments of duties even though they need not have been paid
- subject to the **Nominee Deed**, loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy, whether or not caused by our negligence
- monitoring the performance of, or reviewing, **your account**
- BT Securities Limited or the services provided by it
- any act or failure to act by you, any broker, **your representative** or **your adviser**, any company or trust listed on a stock exchange or any fund manager or trustee
- the form and content of any relevant disclosure document
- the performance of **your portfolio** including loss of capital invested
- any delays in processing managed fund withdrawal requests due to exceptional circumstances, such as if a managed fund becomes illiquid or has withdrawal restrictions, or

→ any other thing unless arising from our own failure to act with reasonable care and diligence, dishonesty, breach of trust, fraud or wilful default.

We do not make any express or implied recommendations concerning any asset available through **Wrap**. Unless a law that cannot be excluded imposes greater liability, our total liability to you is limited to the value of **your account** at the time we are required to discharge that liability.

In no circumstances are we liable to you (or any person claiming through you) for economic, indirect or consequential loss.

## 8\_Preferred Portfolio

You instruct us to re-balance **your portfolio** in accordance with **your instructions** given to us by **your adviser** or **your representative** or as indicated in your Investor Registration Form. We will not act on **your instructions** to re-balance **your portfolio** if:

- all assets in **your portfolio** are within 2% of the original specified allocation
- the transaction value is less than \$100
- we are not reasonably satisfied that you have received a current copy of the **Investor Guide** or the current disclosure document for the relevant managed funds, that, in each case, is not defective, or
- a managed fund is closed to new investments or no longer available. No further purchases can be made through a **Preferred Portfolio** into that managed fund and any future allocations for that managed fund will remain in your **Cash Account**.

## 9\_Regular investment plan

If you elect to use the **regular investment plan**, you acknowledge that:

- you have an existing investment in **your portfolio** of each managed fund to which your **regular investment plan** relates
- upon notification of any change to disclosure documents by **your adviser** or by us, you will promptly contact **your adviser** to obtain a copy of that revised document, and
- the purchase of managed funds will continue to be made under the arrangement until you instruct us otherwise or **your contract with us** is terminated
- the purchase of managed funds may occur without you having been given the current disclosure document or supplemental disclosure document for those managed funds (the **missing documents**).

We agree to give you the **missing documents** as soon as reasonably practicable, and in any event by the later of the fifth business day after the issue of the document or immediately before you next invest through your **regular investment plan**, and

we do so by giving the documents to **your adviser**, who receives those documents on your behalf. **Your adviser** has agreed with us that they will provide the **missing documents** to you within that timeframe.

## 10\_Your Cash Account

You must ensure you have adequate cleared funds in your **Cash Account** at all times to fund all transactions on **your account** while maintaining the **minimum balance**.

If, on processing a transaction, the balance of your **Cash Account** may fall below the **minimum balance**, we may either:

- in our sole discretion, not undertake the transaction, or
- lend you sufficient cash to settle the transaction while maintaining the **minimum balance** in your **Cash Account**.

You request us to make such a loan and agree to repay that loan on demand or in any event within 24 hours.

Distributions from managed funds in **your portfolio** will be paid into your **Cash Account** when we receive them, unless the relevant fund manager provides a distribution reinvestment plan and **you instruct** us to reinvest your distributions in which case we will arrange for your distributions to be reinvested.

## 11\_Acknowledgments

You acknowledge and agree that:

- **(brokers)** if you appoint your own broker, they alone are responsible for the service they provide to you and our role is limited to the settlement of transactions placed by your broker
- **(GST)** we may apply any RITCs we receive to complete payment of the GST inclusive fees that apply to **your account**
- **(electronic reporting)** in using the continuous electronic reporting facility, you warrant that you are able to electronically access this information on a substantially continuous basis
- **(netting)** we may offset **your instructions** to buy or sell assets against other investors' instructions such that only net transactions are implemented (with our records adjusted to reflect all investors' instructions). You agree to pay all fees and expenses that would have been incurred had **your instructions** been implemented without netting. We may retain those amounts and any other benefits we receive from netting
- **(your representative)** where you appoint a company as **your representative**, you appoint each officer and authorised representative of that company as **your representative**
- **(corporate actions)** we are under no obligation to act on **corporate actions** relating to listed securities for which settlement is pending [or otherwise]
- **(updated disclosure documents)** if we or **your adviser** notify you that any disclosure document has changed, you will contact **your adviser** to obtain the revised

disclosure document as soon as possible and issue us with new instructions if you wish to change **your instructions** in light of the revised disclosure documents

- **(role of your advisor)** other than when **your adviser** acts as **your representative** for each transaction, **your adviser** will have been provided with written instructions by you, which authorise the action. We will act on your or **your adviser's** instructions, without determining their authenticity
- **(role of website)** confirmation of certain transactions may be provided via [www.investorwrap.com.au](http://www.investorwrap.com.au)
- **(no advice)** in providing the Investor Guide, the available managed funds list and investments through **Wrap**, we are not, and should not be taken as, giving investment advice in relation to investments acquired through **Wrap**. This is because we are not aware of your investment objectives, financial position and particular needs
- **(trustees)** if you are a trustee or investing on behalf of another, the individuals or corporate entity who is recorded in Wrap as the investor will be the only persons/entity recognised by us (apart from **your adviser** and **your representative** or your broker) as authorised to give instructions. No holders of beneficial interests will be recognised
- **(joint and several liability)** joint investors are each responsible for performing all of the obligations under **your contract with us**. You are responsible both jointly and separately
- **(finality of instructions)** **your instructions** cannot be withdrawn or cancelled after they are given to us
- **(external bank account)** the account signatories for your nominated external bank account must authorise any changes in direct debit arrangements
- **(online broker)** in dealing with the **online broker**, we will act as your agent. We will only act on buy and sell instructions you give to us. The appointment of us as your agent is effective from when you sign the Investor Registration Form. You will be an undisclosed principal
- **(responsibility for Distributor)** the **Distributor** and **your adviser** are not representatives of us. The **Distributor** and **your adviser** cannot bind us in any way
- **(fees)** you agree to pay the fees outlined in the **Investor Guide** and in the Investor Registration Form and instruct us to pay those fees out of your **Cash Account** when they are due
- **(recording of telephone conversations)** telephone conversations may be recorded and listened to for training purposes or to provide security for transactions
- **(continuing consent to act)** to the extent the law permits, we may continue to act as operator of **Wrap** notwithstanding any conflict of interest that may arise
- **(direct debit request service agreement)** by completing the relevant section of the Investor Registration Form, you are authorising us (User ID Number 086970) to draw on your nominated external bank account for deposits into **Wrap** on the terms set out in the Investor Registration Form and the Direct Debit Request Form.



## 12\_Costs, tax and stamp duty

You agree that:

- **(general responsibility)** you are responsible for any costs, tax or stamp duty consequences of investing in or exiting **Wrap**
- **(bank fees etc)** you will meet any bank fees and other similar costs incurred as a result of a withdrawal by way of electronic transfer, bank cheque, direct debit or other special payment method
- **(our right to offset)** we may offset any obligation we have to pay you money in connection with your **Cash Account** against your obligations to pay fees, costs and other money you owe to us.

## 13\_If you are a trustee

If you entering into **your contract with us** in your capacity as the trustee of a trust, then in signing the Investor Registration Form, you declare and agree that:

- you are the properly appointed trustee of the trust
- holding units in managed funds and all listed securities is an authorised investment of the trust
- you have the power to enter into **your contract with us** and perform your obligations under it as trustee of the trust
- you enter into **your contract with us** both in your personal capacity and as trustee
- our rights under **your contract with us** have priority over the interests of the beneficiaries, and
- you are entitled to be indemnified out of the assets of the trust for all obligations you incur in connection with **your contract with us**.

## 14\_Telephone VRS and internet service

By completing the Investor Registration Form, you will be given access to the telephone VRS and internet service [www.investorwrap.com.au](http://www.investorwrap.com.au) (the **facilities**). A confidential PIN and password will give access to the **facilities**. You remain responsible for the confidentiality of your PIN and password. Access will be given to any person who uses your PIN or password or complies with any other security procedures that we may institute from time to time. Any action by that person will be taken to be by you.

We may suspend access to or cancel the **facilities** at any time generally or for an investor, without notice.

You must tell us immediately if you lose our PIN or password or think someone, other than **your adviser**, has knowledge of either.

You agree that:

- any PIN or password issued or reissued to you may be delivered electronically or by post
- you will be charged a fee for accessing the telephone VRS that will appear on your telephone bill, and
- the **facilities** will be used to provide you with confirmation of transactions in connection with **Wrap**.

## 15\_Cheque and deposit book conditions

If you elect to use the cheque and deposit book facility, you agree to be bound by the following terms and conditions on your authority to sign cheques:

- each cheque drawn amounts to a request to withdraw funds from your **Cash Account**
- you must not draw a cheque unless your balance in your **Cash Account** is more than the amount of the cheque and the **minimum balance**. The **bank** may be instructed to dishonour any cheque that reduces your balance below the **minimum balance** at the time the cheque is presented
- you must wait for funds deposited by cheque to be cleared before drawing on those funds
- you will take care of the cheque book and notify us promptly of any loss or theft of the cheque book or any cheque forms
- we can instruct the **bank** to dishonour any cheques signed by you
- any request to stop payment of a cheque must be made to us in writing
- you will reimburse us or the **bank** for any taxes, duties or fees relating to the establishment or operation of the cheque facility and the dishonouring of any cheques. Funds can be withdrawn from your balance in your **Cash Account** to meet these costs including the fees charged for the cheque facility
- either us or the **bank** may terminate your right to use the cheque facility at any time by written notice and such termination shall take effect at the time the notice would have been received in the ordinary course of the post
- a cheque or an instrument purporting to be a cheque that entitles the **bank** (pursuant to the Cheques Act) to debit the relevant bank account, entitles us to debit your **Cash Account** for the same amount
- you will provide us with all the information that we may require in order to supply the **bank** with the necessary specimen signatures or other information required for the proper use of the cheque facility
- if you close **your account** or **your account** is terminated, all unused cheques and deposit slips must be returned to us



→ you will only use the cheques and deposit forms provided to you or replacements made available to you

you cannot close your balance in your **Cash Account** by cheque.

## 16\_Can we vary your contract with us?

We may vary **your contract with us** or vary, suspend or terminate different services or features that form part of **Wrap** from time to time. We can do this by issuing a new version of these Terms and Conditions. For example, changes are sometimes required to reflect changes to **Wrap**. We will give you 30 days prior notice of any change to **your contract with us** that is materially adverse to your interests.

You cannot vary **your contract with us**.

## 17\_Assignment and novation

You agree that we may assign our rights without prior notice and without your consent. You also agree that we may novate our obligations under **your contract with us**.

You must not assign or novate (or try to assign or novate) any of your rights or obligations under **your contract with us** without our prior written consent.

## 18\_How your contract with us can end

If you are in default of your obligations under **your contract with us** or **your adviser** ceases to be authorised to distribute **Wrap**, we can close **your account** on five days notice. We can close **your account** without notice if:

- you do not maintain the **minimum balance** in your **Cash Account**,
- you become bankrupt or insolvent (including if you are unable to pay your debts when due or do anything that suggests you cannot do so), or
- any information given to us by you, or on your behalf, is incorrect or misleading.

You can request us to close your account at any time you do not have a **margin loan**.

If **your account** is closed, instructions underway will be processed, the investments in **your portfolio** will be sold (listed securities may be transferred to you) fees, costs and other money you owe us or any person you have instructed us to pay deducted, and the balance paid to your nominal external bank account. You cannot vary this process.

**Your contract with us** is terminated when we close **your account**.

## 19\_How we will communicate with you

**(When we send you documents)** We may give you documents and other communications by:

- sending them to any address that you have provided for you, **your adviser** or **your representative**, or
- sending them to an address that we reasonably believe is correct.

You are deemed to have received any correspondence:

- if posted, three business days after posting
- if sent by fax, at the time the sender receives confirmation of transmission
- if sent by email one business day after the email is sent,
- if given personally, when received, or
- if there is no way of sending the documents or communications that may reasonably be expected to result in them being received by you, **your adviser** or **your representative**, when all reasonable steps have been taken to send them to you or any of those persons.

**(Email)** If you have provided us with an email address for you, **your adviser** or **your representative**, you agree to receive documents or notices by email including emails containing a hypertext link, in which case provision of the hypertext link constitutes provision of the documents that may be accessed through that link.

**(When you need to communicate with us)** You may send us notices or contact us in any way indicated in **your contract with us**. Your communications are taken to be received when actually received.

## 20\_General

You agree that:

- **(agreement to abide by law)** you must not initiate or participate in any transaction that may be in breach of Australian law (or the law of any other country). Where relevant, you agree to comply with the *Corporations Act 2001* (Cth) and the rules, procedures, customs, usages and market practices of any market on which your investments are traded
- **(you are not a trustee)** unless you specifically disclosed in your Investor Registration Form that you are a trustee, you are the ultimate beneficiary of all investments held by us on your behalf
- **(severability)** if part of **your contract with us** is or becomes void, invalid or unenforceable, then the other provisions are not affected
- **(type of agreement)** except to the extent we act as your agent in instructing the **online broker** to settle transactions, nothing in **your contract with us** constitutes us as your partner, agent, or legal representative and you cannot bind us in any way
- **(governing law)** this contract is governed by the law of New South Wales. Each party submits to the non-exclusive jurisdiction of the courts of New South Wales



- **(disclosure of information)** we may disclose any information to regulatory and/or law enforcement agencies if we are legally obliged to do so
- **(exercise of rights)** any right conferred on us under **your contract with us** may be exercised or not exercised in our absolute discretion, and
- **(waiver)** we may waive your obligations or the exercise of our rights under **your contract with us**, or any part of it, in our absolute discretion and such a waiver does not prevent us from exercising those rights in the future.

## 21\_Meaning of terms printed *like this*

<b>Term</b>	<b>Meaning</b>
<b>bank</b>	Westpac Banking Corporation ABN 33 007 457 141 or such other bank that provides bank or cheque account facilities in connection with <b>Wrap</b> .
<b>Cash Account</b>	Your <b>Wrap</b> Cash Account, as described in the <b>Investor Guide</b> .
<b>corporate action</b>	In relation to listed securities, any right attaching to those securities to vote or participate in a program or benefit such as a rights issue or dividend reinvestment plan.
<b>Distributor</b>	The person named as Distributor in your Investor Registration Form.
<b>facilities</b>	The telephone voice recognition service and internet service referred to in clause 14.
<b>Investor Guide</b>	The current <b>Investor Guide</b> for <b>Wrap</b> that these Terms and Conditions form part of.
<b>margin loan</b>	A margin loan product used by you in connection with <b>your account</b> including the product offered by BT Securities Limited in connection with <b>Wrap</b> .
<b>minimum balance</b>	The minimum balance you are required to retain in your <b>Cash Account</b> as set out in this <b>Investor Guide</b> as updated on the <b>Wrap website</b> .
<b>Nominee Deed</b>	The deed poll dated 13 January 1998 by us in favour of investors in <b>Wrap</b> as amended. A copy is available from us free of charge.
<b>online broker</b>	The broker we engage to undertake transactions in listed securities on your behalf where your listed securities are held as custodial holdings.
<b>Preferred Portfolio</b>	Investments which may form all or part of <b>your portfolio</b> that you have instructed us to rebalance in accordance with the <b>Investor Guide</b> .
<b>regular investment plan</b>	The regular investment plan referred to in the <b>Investor Guide</b> .
<b>your account</b>	Your <b>Wrap</b> account including <b>your portfolio</b> .
<b>your adviser</b>	The person named as your adviser in your Investor Registration Form and such other person you notify to us in writing to be your adviser.
<b>your contract with us</b>	These Terms and Conditions, the <b>Nominee Deed</b> and your Investor Registration Form in each case as amended, which, together, constitute your contract with us.
<b>your instructions</b>	Instructions we receive from you, <b>your adviser</b> , <b>your representative</b> , or any <b>broker</b> appointed by you, including instructions we reasonably believe to have been given by any of those persons whether or not you have given corresponding instructions to those persons.
<b>your portfolio</b>	All investments held through <b>Wrap</b> including your <b>Cash Account</b> .
<b>your representative</b>	The person you have appointed as your representative in your Investor Registration Form and such other person you notify us in writing as being your representative.
<b>Wrap</b>	The service described in the <b>Investor Guide</b> to which these terms and conditions relate.
<b>Wrap website</b>	<a href="http://www.investorwrap.com.au">www.investorwrap.com.au</a>



# Sponsorship Agreement

## Interpretation

This Sponsorship Agreement ('Agreement') only applies if you elect to hold listed securities under the sponsored holdings option.

Unless the contrary intention appears, terms used in this Agreement that are defined in the ASTC<sup>1</sup> Rules have the meaning given in the ASTC Rules.

## Generally

BT Portfolio Services Ltd ABN 73 095 055 208 ('the Administrator') is a corporation that holds AFSL No. 233715 under the Corporations Act 2001 (Cwth). The Administrator is regulated by the Corporations Act 2001 (Cwth) and information about the Administrator's status can be obtained from the Australian Securities and Investments Commission ('ASIC').

The Administrator 'sponsors' you for CHES purposes. It gives effect to instructions to settle trades in Financial Products whenever those instructions are received by the Administrator from CHES and in accordance with market practice.

Financial Products include listed securities, such as shares in listed companies and units in listed unit trusts that are CHES approved securities listed by the ASX. Listed securities not sponsored by CHES (although few in number) and certificated holdings cannot be sponsored, administered or transacted by the Administrator.

## Claims for compensation

The compensation arrangements applicable to you are governed by the terms of this Investor Guide.

If you make a claim for compensation against the Administrator, its ability to satisfy that claim will depend on the Administrator's financial circumstances.

You may be entitled to make a claim to the ASTC against the Sponsorship Bond that the Administrator has lodged.

Because the Administrator is not a Market Participant of the ASX or a Clearing Participant of the SCH,<sup>2</sup> you are not entitled to make a claim on the National Guarantee Fund for compensation for the Administrator's role as your sponsor.

## What is CHES?

CHES is a paperless system which records listed security ownership on an electronic account, rather than by a paper certificate. It is operated by ASTC in accordance with the settlement rules (ASTC Rules) by which participants must abide.

## CHES sponsorship

By signing the Investor Registration Form and electing to hold listed securities in your own name, you agree to appoint the Administrator as your sponsoring participant for Financial Products in your account on the terms and conditions in this Agreement. The Administrator will 'sponsor' Financial Products of your account in a Participant Sponsored Holding. You agree to be 'sponsored' by the Administrator (who is your sponsoring participant for CHES purposes) so that settlement instructions for listed securities can be acted on.

By entering into this Agreement and completing a Release Authorisation Form, you direct the Administrator to arrange for the conversion or transfer of any CHES approved listed securities to listed securities, which are held in a participant sponsored holding sponsored by the Administrator.

You agree to be bound by the ASTC Rules. The ASTC Rules prevail to the extent that there is any inconsistency between them and this Agreement. A copy of the ASTC Rules will be provided by the Administrator to you upon request.

## The Administrator's role as non-broker participant on CHES

The Administrator may sell, transfer or convert to or from a CHES sub-register under the Administrator's control, listed securities on your behalf, so long as it:

- has received instructions
- acts in accordance with the ASTC Rules, and
- is exercising rights under your agreement with the Administrator

## What you acknowledge

You acknowledge that:

- the effect of this Agreement was explained to you by the Administrator before the Investor Registration Form or this Agreement was signed by you (or your agent). This explanation is contained in this Investor Brochure which was provided to you before signing the Investor Registration Form or this Agreement
- you understood the intent and effect of this Agreement before the Investor Registration Form or this Agreement was signed by you (or your agent)
- if you die or become bankrupt, a Holder Record Lock will be applied to all your Participant Sponsored Holdings in accordance with rule 8.15.8 to 8.15.11 of the ASTC Rules unless your legally appointed representative or trustee elects to remove the Participant Sponsored Holdings from the CHES Subregister



## Sponsorship Agreement

### – continued

- if you die, this Agreement is deemed to remain in operation, in respect of your legally-appointed representative authorised to administer your estate, for a period of up to three calendar months from the date of removal of the Holder Record Lock under rule 8.16.3 of the ASTC Rules unless the legally-appointed representative elects to remove the Participant Sponsored Holdings from the CHES Subregister
- if there are joint Holders and one of you dies, all Holdings under the joint Holder Record are transferred into new Holdings under a new Holder Record in the name of the surviving joint Holder(s) and this Agreement is valid for the new Holdings under the new Holder Record
- if there are joint Holders and one of you becomes bankrupt, the Administrator will establish a new Holder Record in the name of:
  - the bankrupt Holder, transfer the interest of the bankrupt Holder into new Holdings under that new Holder Record and request that ASTC applies a Holder Record Lock to all Holdings under that Holder Record, unless the bankrupt Holder's legally appointed representative elects to remove the Participant Sponsored Holding from the CHES Subregister, and
  - the remaining Holder(s) then transfer the interest of the remaining joint Holder(s) into a new Holding under that new Holder Record
- you agree to provide to the Administrator (and to update) all information and documents that it requires to:
  - permit the Administrator to comply with the registration requirements under the ASTC Rules and to establish a Participant Sponsored Holding in your name, or
  - conduct the Participant Sponsored Holding in accordance with the Administrator's agreement with you and the ASTC Rules
- if the Administrator is taken to effect a Transfer from a Holding of yours covered by this Agreement under section 9 of the ASTC Rules, then you:
  - may not assert or claim against ASTC (or the relevant issuer) that either the Administrator was not authorised by you to make the Transfer or did not make it, or
  - do not have a claim arising out of the Transfer against the National Guarantee Fund under Part 7.5, Division 4 of the Corporations Regulations unless the Transfer is also taken to be effected by a Market Participant of the ASX or a Clearing Participant of the Australian Clearing House Pty Limited ('ACH')
- you agree to seek the Administrator's written consent before you reserve or release listed

securities into or out of a sub-position, or agree to do so (if you indeed have such a power to do so under the ASTC Rules or otherwise)

- because the Administrator is not a Market Participant of ASX, neither ASX nor any other member of the ASX Group has any responsibility for supervising or regulating the relationship between you and the Administrator other than in relation to the ASTC Rules relating to Sponsorship Agreements.

### **CHES Holdings to which this Agreement relates**

The CHES Holdings to which this Agreement relates are those held under the HINs specified by you for existing Holdings (where you have transferred those Holdings into the Service) or the HINs notified by the Administrator to you or your adviser (where new Holdings have been established for you by the Administrator under CHES or where you have requested the Administrator to arrange the issue of a new HIN).

### **Complaints**

A complaint against the Administrator may be lodged with ASIC, or in some cases, a complaint or a claim for compensation may be lodged with the Financial Ombudsman Service.

If there is a breach of this Agreement by the Administrator you may refer the breach to the Administrator or to any regulatory body, including ASIC and the ASTC.

### **Transfer, sale and withdrawal of Financial Products**

The Administrator is not obliged to transfer Financial Products into your Holding until payment for those Financial Products is received.

Financial Products can be sold by the Administrator by exercising its power of sale in the circumstances set out in 'When we may sell your investments without seeking further instructions' in the 'Additional Terms and Conditions' section.

Where the Administrator claims that an amount lawfully owed to it has not been paid by you, the Administrator has the right to refuse to comply with your Withdrawal Instructions, but only to the extent necessary to retain Financial Products of the minimum value held in a Participant Sponsored Holding (where the minimum value is equal to 120% of the current value of the amount claimed).

Subject to the Administrator's exercise of its power of sale and the right to refuse to comply with your Withdrawal Instructions set out in the two preceding paragraphs, the Administrator will initiate any Transfer, Conversion or an action necessary to give effect to Withdrawal Instructions within two business days from the date of giving of the relevant instructions.

The Administrator will not initiate any Transfer or Conversion into or out of your Holding without your express authority.

### **Suspension of the Administrator**

If the Administrator is suspended from the Settlement Facility, subject to an assertion of an interest in Financial Products controlled by the Administrator, where the assertion is made by either a liquidator, receiver, administrator or trustee of the Administrator:

- i. you have the right, within 20 business days of ASTC giving notice of suspension, to give notice to ASTC requesting that your Holdings be removed either from the:
  - a) CHES Subregister, or
  - b) control of the suspended Administrator to the control of another Sponsoring Participant with whom you have entered into a valid Sponsorship Agreement pursuant to ASTC Rule 12.19.10, or
- ii. where you do not give the notice described in paragraph (i) above, ASTC may effect a change of the Controlling Participant for your Holding under ASTC Rule 12.19.11 and you will be deemed to have entered into a new Sponsorship Agreement with the substitute Sponsoring Participant on the same terms as the existing Sponsorship Agreement. Where you are deemed to have entered into a Sponsorship Agreement under this clause, the substitute Sponsoring Participant must enter into a Sponsorship Agreement with you within ten business days of the change of Controlling Participant.

### **Novation**

The Administrator may propose to novate this Agreement to a New Controlling Participant in accordance with the ASTC Rules. If so, you will receive a Participant Change Notice from the Administrator no later than 20 days prior to the date of the proposed change.

You are not obliged to agree to the change to a New Controlling Participant, and you may choose to terminate this Agreement by giving Withdrawal Instructions under the ASTC Rules to the Administrator, indicating that you wish to transfer your Holdings to another Controlling Participant or to the Issuer Sponsored Subregister.

If you do not take any action to terminate this Agreement, or if you do any other act which is consistent with the novation of this Agreement to the New Controlling Participant then you will be taken to have consented to the novation of this Agreement to the New Controlling Participant as of the Effective Date specified in the Participant Change Notice.

A novation of this Agreement will not take effect until you (and, in the case of joint Holders, each other Holder) have received a notice from the New Controlling Participant confirming that it consents to acting as the Controlling Participant for you (and, in the case of joint Holders, each other Holder).

Upon novation of this Agreement, this Agreement is rescinded and a new Sponsorship Agreement is created on the same terms and conditions as this Agreement except that the New Controlling Participant:

- a) replaces the Administrator in any capacity under this Agreement as if the New Controlling Participant was an original party to this Agreement instead of the Administrator
- b) has no obligations or liability under this Agreement before the Effective Date, and
- c) is to be bound by the new Sponsorship Agreement as this Agreement relates to the Administrator and is to enjoy under the new Sponsorship Agreement all the rights and benefits conferred on the Administrator under this Agreement.

On novation of this Agreement, this Agreement continues for the benefit of the Administrator in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation not binding or effective on the Effective Date, then this Agreement will continue for the benefit of the Administrator until such time as the novation is effective, and the Administrator will hold the benefit of this Agreement on trust for the New Controlling Participant.

Nothing in these paragraphs under the heading 'Novation' will prevent the completion of CHES transactions by the Administrator where the obligation to complete those transactions arises before the Effective Date and this Agreement will continue to apply to the completion of those transactions.

### **Termination**

This Agreement will be terminated under the following circumstances:

- a) by notice in writing from either party to this Agreement
- b) upon the Administrator becoming insolvent
- c) upon the termination or suspension of the Administrator, or
- d) upon you giving Withdrawal Instructions to the Administrator where you have received a Participant Change Notice.