



→ **A guide to our  
financial services**

Financial Services Guide  
Issue 5  
Dated 1 October 2008

**BT Portfolio Services Ltd**  
ABN 73 095 055 208  
Australian Financial Services  
Licence No: 233715

**About this Financial Services Guide** This Financial Services Guide (FSG) is issued by BT Portfolio Services Ltd ABN 73 095 055 208 (BTPS, us or we) to inform retail clients of the financial services provided by us. It is designed to assist you in deciding whether to use these services and to ensure that BTPS complies with its obligations as a financial services licensee. This FSG tells you:

- about us
- about our financial services and products
- the costs, remuneration and other benefits that may be paid to us, staff members and others
- what associations or relationships we have with financial product issuers
- if you have a complaint, how it will be dealt with
- how we collect and use your personal information
- how you can contact us.

If you have any questions about BTPS or about this FSG, please contact us. Our contact details are set out on the back cover of this FSG. Your financial adviser can provide you with any changes to these details.

Generally where you acquire a financial product through us or we issue, offer or arrange to issue a financial product to you, we will, if required, provide you with, or arrange for you to receive, a Product Disclosure Statement (PDS) or other disclosure document containing information about that financial product, including any relevant terms, significant risks and the costs associated with the financial product and details of other fees and charges which may apply. These documents will be provided to assist you to make an informed decision about the financial product and to comply with our obligations as a financial services licensee.

## About BT Portfolio Services Ltd

BTPS is a member of the Westpac Banking Corporation (Westpac) group of companies which includes Westpac, Westpac Financial Services Ltd, BT Financial Group Pty Limited, BT Funds Management Limited, BT Funds Management No. 2 Limited, BT Life Limited, BT Securities Limited, Westpac Life Insurance Services Ltd, and other entities that provide various financial, funds management, insurance, superannuation, investment and administrative services and products from time to time (**Westpac Group**).

BTPS is a wholly owned subsidiary of Westpac. Apart from any interest investors in Wrap (as defined in this FSG) may have in underlying bank accounts held at Westpac through a Wrap cash account or term deposits or in Westpac securities acquired using Wrap, an investment in, or acquired using, Wrap or SuperWrap<sup>1</sup> (as defined in this FSG) is not a deposit with, investment in or other liability of Westpac, or any of its related entities. Neither Westpac nor any other company within the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of any investments in, or acquired through, Wrap or SuperWrap. These investments are subject to investment risk, including possible delays in repayment or loss of income and principal invested.

BTPS is a non-market participant in the Australian Stock Exchange Clearing House Electronic Subregister System (**CHESS**).

The registered address of BTPS is Level 20, Westpac Place, 275 Kent Street, Sydney NSW 2000.

## Compensation arrangements

BTPS holds a Professional Indemnity Insurance Policy, which complies with the requirements for compensation arrangements under the Corporations Act. Subject to its terms and conditions, this Policy covers claims relating to the professional services provided by Westpac and its employees and representatives, including claims that may arise after their employment with Westpac has ceased.

## Our financial services and products

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

BTPS holds an Australian Financial Services Licence (Licence No. 233715) that authorises us to provide general financial product advice for, and deal in, the following financial products:

- deposit and payment products
- derivatives
- government debentures, stocks or bonds
- life products
- interests in managed investment schemes including investor directed portfolio services
- securities
- superannuation
- managed investment warrants listed on the Australian Stock Exchange.

Our Australian Financial Services Licence also authorises us to provide the following custodial or depository services:

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

BTPS operates and administers an investment service that 'wraps' around your portfolio of investments in managed funds and listed securities (**Wrap**). Wrap offers you a single point of access to a range of managed funds and listed securities and provides consolidated reporting of the investments you make through this service. Wrap is a reporting and settlement service in relation to the listed securities investments you hold for which BTPS is the CHESS sponsor, and what the Australian Securities and Investments Commission refers to as an 'investor directed portfolio service' in relation to managed fund and listed securities investments which are held by BTPS on your behalf.

BTPS arranges an issue of insurance products by Westpac Life Insurance Services Limited, that are available through Wrap.

BTPS also administers a complying public offer superannuation fund, known as Retirement Wrap ABN 39 827 542 991 Registrable Superannuation Entity (RSE) Registration No.R1001327 (SuperWrap), the trustee and issuer of which is Trust Company Superannuation Services Limited ABN 49 006 421 638, RSE Licence No.L0000635 (Trustee).

Generally, through both Wrap and SuperWrap, you are able to access managed funds and listed securities.

Although BTPS operates and administers Wrap and administers SuperWrap, investors generally access Wrap and SuperWrap by acquiring Wrap and SuperWrap products that are issued and/or distributed by third party Australian Financial Services (AFS) licensees under their own brand. Throughout this FSG these products are collectively referred to as **Wrap Products** and third party AFS licensees are referred to as **Wrap Distributors**.

Neither BTPS nor any other company within the Westpac Group in any way endorses individual investments available through Wrap or SuperWrap as being suitable for investment or makes any representation about the worth or security of such investments.

Generally, this FSG does not relate to any services or products BTPS provides that are not financial services or financial products.

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

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

To the extent that our financial services involve implementing the decisions made by you and your financial adviser, BTPS is not responsible for those decisions. Your financial adviser is not a BTPS representative or an authorised representative of BTPS and BTPS is not responsible for the services they provide to you. Similarly, Wrap Distributors are not representatives or authorised representatives of BTPS and BTPS is not responsible for the services they provide to you.

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

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

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

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

**How can you give us instructions?**

Generally, you may give us instructions in writing by post or fax, internet, email, through your financial adviser or other means by pre-arrangement with us. How you give us instructions will depend on the financial services we provide to you and the nature of your instruction.

## Information about fees and other benefits

What fees and other benefits are received by us?

The fees, commissions and other benefits (collectively **Fees**) that we collect or receive for providing a financial service to you depend on the financial service provided to you and the financial product you acquire and are detailed on page 6.

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

In relation to the financial services BTPS provides, we may collect the Fees set out below. These Fees do not simply represent our profit margins, but also go towards covering our costs and overheads. The Fees may also be shared with third parties (including Wrap Distributors), as set out on page 7 under the heading 'Fees received by related entities and our associations with product issuers'.

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

The table on page 6 sets out the fees and charges BTPS may receive in relation to Wrap Products.

| Fees and charges received                         | Fee description   |
|---|---|
| General account keeping/administration fees       | These fees are charged on either the total funds under administration in your portfolio, or on the value of each investment held in your portfolio. These fees may be tiered and the amount we receive depends on the Wrap Product you acquire, whether or not we are the issuer of the Wrap Product, and the arrangements we have agreed with the Wrap Distributor.  |
| Other administration fees                         | <p>BTPS may charge you other administration fees, as set out below:</p> <ul style="list-style-type: none"> <li>→ If your Wrap or SuperWrap account is to be monitored and rebalanced in line with a Preferred Portfolio facility, we may charge you an additional administration fee of up to \$260 pa. If you switch out of the Preferred Portfolio facility, you may be charged the residual balance of the full annual fee for that facility.</li> <li>→ If you elect to have BTPS hold listed securities on your behalf under the custodial holdings option available, or to be made available in Wrap, we may charge you an additional administration fee of up to \$321.95 pa.</li> </ul> <p>If charged, these fees will be debited from your Cash Account at the same time as, and in addition to, the general account keeping or administration fees referred to above.</p>   |
| Transaction fees                                  | You may be charged a transaction fee of up to \$35 for certain listed security trades and managed fund transactions in relation to the investment options offered by Wrap or SuperWrap. This fee (if any) will be deducted from your Cash Account when the trade or transaction is settled.   |
| Brokerage   | We may receive up to 100% of the brokerage you pay to the online or default broker when you transact in listed securities through the online or default broker facility available through Wrap or SuperWrap. The actual amount we receive from the broker (if any) is determined by daily trading volumes.  |
| Trustee/Issuer fee (SuperWrap only)               | We may collect a trustee/issuer fee of up to 0.088% pa of the value of your SuperWrap account (if any). We may pay up to 100% of this fee to the Trustee. The amount we pay to the Trustee is determined by reference to the total assets of SuperWrap.   |
| Cash Account fees                                 | We will collect a Cash Account fee of up to 2% pa of your Cash Account balance, for the administration of your Cash Account. This fee represents the difference between the rate of return paid to you on your Cash Account balance, and the rate of return earned by us when investing funds with Australian Authorised Deposit-taking Institutions (ADIs). This fee accrues daily and is paid to us out of the funds we deposit with the ADIs.  |
| Other account fees                                | We may pass on to you all out-of-pocket expenses we incur on your behalf in administering your Wrap or SuperWrap account, such as bank fees and stamp duty. Unless otherwise arranged between you and BTPS, these expenses will be debited from your Cash Account when they are incurred.   |
| Product Access Payments and Fund Manager Payments | <p>BTPS may receive Fees from responsible entities and fund managers whose funds are accessible to you through Wrap or SuperWrap, as set out below.</p> <ul style="list-style-type: none"> <li>→ <b>Product Access Payments</b><br/>BTPS may receive up to \$25,000 pa from each responsible entity or fund manager plus up to an additional \$15,000 pa per managed fund accessible to you through Wrap or SuperWrap. We receive these payments on an annual basis and they contribute towards reimbursing our costs for establishing, maintaining and/or administering the managed fund investment options available through Wrap and SuperWrap. The responsible entities and fund managers participating in the Wrap Advantage Investment Series<sup>1</sup> are exempt from making the product access payments to us.</li> <li>→ <b>Fund Manager Payments</b><br/>BTPS may receive up to 1.95% pa of the total investment through Wrap and SuperWrap in certain underlying managed fund investment options. This includes the fund manager payments BTPS receive in relation to Wrap Advantage Investment Series fund investment options<sup>1</sup>, a portion of which is payable to investors. Where applicable, we receive these payments from the responsible entities or fund managers on a monthly basis for as long as investments are held in the underlying managed fund. The amount of these payments varies according to the amounts invested in each underlying managed fund through Wrap and SuperWrap and the agreements we have in place with the responsible entity or fund manager.<br/>Out of our own fees, we may pay as 'Platform Payments' up to 100% of fund manager payments we receive to the Wrap Distributor and/or your financial adviser. Wrap Distributor and/or your financial adviser, in turn, may retain this Platform Payment as a commission or rebate to clients at their discretion.</li> </ul> |
| Insurance payments                                | If you hold a Wrap or SuperWrap account and you elect to take out insurance, we will receive upfront commissions of up to 160% and/or ongoing commissions of up to 38% of the value of your insurance premiums, as determined by the arrangement in place with the relevant insurer (and the Trustee in relation to SuperWrap account). We receive these commissions monthly in arrears from the relevant insurer for as long as you hold the insurance product. We may pass all of our commissions to the Wrap Distributor and/or your financial adviser.  |
| Other benefits                                    | Instructions may be received from different investors in Wrap or SuperWrap to buy and sell interests in the same managed fund. These instructions may be offset by BTPS so that only one net application or redemption request is made to the relevant fund manager (called Netting). If this occurs, and subject to the net application or redemption request being accepted by the fund manager, investors who instructed BTPS (as administrator) to dispose of an investment in the fund will have that investment cancelled. Investors who instructed BTPS to acquire an investment in the fund will acquire that interest. Netting may reduce transaction costs and BTPS is entitled to keep this benefit arising from Netting.  |

1\_Refer to the SuperWrap Product Disclosure Statement or Wrap Investor Brochure for more information on Wrap Advantage Investment Series fund investment options.

What remuneration and other benefits are received by Staff Members?

Staff Members receive salaries (generally, paid fortnightly or monthly), cash bonuses and other benefits. Cash bonuses are based on the performance of the Staff Member and/or the Staff Member's team, including the level of product sales and by reference to other performance measures. Bonuses are paid quarterly, half-yearly or yearly and may, at the election of the employee, instead be paid by way of superannuation contributions or shares in Westpac.

Staff Members may also be rewarded with monetary and non-monetary incentives and benefits from time to time if they meet certain performance targets (including their own sales). The incentives range from small non-monetary rewards such as movie tickets to more valuable benefits such as pre-paid holiday packages and attendances at conferences.

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

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

Fees received by related entities and our associations with product issuers

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

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

BTPS may pay third parties (such as Wrap Distributors, financial advisers and companies within the Westpac Group) up to 100% of the Fees we receive in respect of the financial services we provide. These 'Platform Payments' (which may be retained by the third parties as commission or rebated to clients at their discretion) are made on an upfront basis when the financial service or financial product is provided to you and/or periodically on an ongoing basis (such as quarterly, half-yearly and yearly) for as long as you receive the financial service or hold the financial product. The Platform Payments vary according to a number of factors including the identity of the relevant party; the total funds under administration of clients of the Wrap Distributor; and the type of financial services or financial products acquired by you. Further details of Platform Payments may be set out in the FSG, PDS, statement of advice or other disclosure document provided to you by the Wrap Distributor or your financial adviser.

BTPS may collect fees and other charges from you on behalf of third parties (such as your financial adviser, the Trustee and the online or default broker). These fees and charges will generally be set out in the FSG, PDS, statement of advice or other disclosure documents provided to you for the financial services or financial products those parties provide to you or will be as specified by you. BTPS will pass these fees and charges on to the relevant party.

## Register of Alternative Form of Remuneration

We maintain a register that outlines the material alternative forms of remuneration that we pay to Wrap Distributors, or receive from product issuers of the products that are available through us. The register is publicly available and you can obtain a copy by contacting us on the number specified on the back cover of this FSG.

## If you have a complaint

BTPS has arrangements for dealing with investors' questions or complaints about the operation and administration of Wrap and the administration of SuperWrap (including arranging issue of insurance products). Problem resolution is a priority for us. If you have any problems with the financial services that we provide and wish to make a complaint, please contact us and we will do our best to resolve it for you quickly and fairly.

If you have a complaint about Wrap or SuperWrap, please contact a BT Customer Relations Consultant on 1300 657 010 from 8.00am to 6.30pm, Monday to Friday (Sydney time).

If your complaint cannot be resolved over the telephone, you can outline your complaint in writing to:

The Complaints Officer  
GPO Box 2675  
Sydney NSW 2001

The Complaints Officer will endeavour to resolve your complaint within 30 days of receiving your letter. However, if you are not satisfied with the response, or have not received a response within 45 days (in relation to Wrap) or 90 days (in relation to SuperWrap), you may escalate your complaint to:

### → Financial Ombudsman Service ('FOS')

FOS deals with complaints about members of the financial services industry, including responsible entities of managed investment schemes; operators of investor directed portfolio services; licensees who give retail investment advice and life insurance providers. You can contact FOS in relation to your Wrap account.

GPO Box 3, Melbourne VIC 3001  
Telephone 1300 780 808  
Fax (03) 9613 6399  
Email [info@fos.org.au](mailto:info@fos.org.au)  
Internet [www.fos.org.au](http://www.fos.org.au)

### → Superannuation Complaints Tribunal (SCT)

SCT deals with complaints about superannuation funds; annuities and deferred annuities. You can contact the SCT in relation to your SuperWrap account.

Locked Bag 3060  
GPO Melbourne VIC 3001  
Telephone 1300 780 808  
Fax (03) 8635 5588  
Email [info@sct.gov.au](mailto:info@sct.gov.au)  
Internet [www.sct.gov.au](http://www.sct.gov.au)

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

## How we collect and use your personal information

Your privacy is important to us and we are committed to promoting a privacy policy that will ensure the privacy and security of your personal information.

## Distribution by companies within the Westpac Group

When you acquire Wrap and/or SuperWrap products or services (including insurance products available through Wrap) that are distributed by companies within the Westpac Group, the personal information collected by BTPS will be used to provide you with financial services and for the purposes of other related activities including administration, planning and research.

BTPS may disclose your personal information to any person who is at any time a company within the Westpac Group, to service providers who do things on our behalf (for example, a mailing house), to a person who acts on your behalf in relation to the financial products and financial services acquired by you (such as a financial adviser) and to other third parties where it is required or allowed by law or where you have given your consent. You can access most personal information we retain about you by telephoning us on 1300 657 010, or writing to us at GPO Box 2337 Adelaide, South Australia 5001. Sometimes there will be a reason why it is not possible to provide you with access to this information, in which case we will tell you why.

BTPS, and other companies within the Westpac Group, may use your personal information from time to time to provide additional services to you, such as market updates and information on products and services available from us or any other company within the Westpac Group. If you do not wish to receive this information, please contact us as set out on the back cover of this FSG.

If you only hold BT products through a non-BT or non-Westpac financial adviser, no information will be used by non-BT Financial Group companies for marketing purposes.

For further details, please refer to our privacy policy at [www.bt.com.au](http://www.bt.com.au).

## Distribution by companies outside the Westpac Group

When you acquire Wrap and/or SuperWrap products or services (including insurance products available through Wrap) distributed by a Wrap Distributor that is not a company within the Westpac Group, the personal information collected from the registration form completed by you for your investment in Wrap and/or SuperWrap will be used to establish and administer your investment in Wrap and/or SuperWrap. Once invested, correspondence received by BTPS from you or your financial adviser will be stored by BTPS (and, in relation to SuperWrap, the Trustee) together with any notes made on discussions you have over the telephone with BTPS (or, in relation to SuperWrap, the Trustee). You can access the information that is held about you by writing to BTPS at GPO Box 2337 Adelaide, South Australia 5001. Sometimes there will be a reason why it is not possible to provide you with access to this information, in which case we will tell you why.

Your personal information will only be passed on to parties that assist BTPS in the administration of your investment in Wrap or SuperWrap (for example, mail houses and Australia Post), to your financial adviser or representative or to related bodies corporate of BTPS. These parties must agree to keep this information confidential. BTPS may also pass on your information if it is required or allowed under the law (for example, in connection with legal proceedings) to third parties such as the ATO or Department of Social Security.

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## Contacting BTPS

You may contact BTPS in any of the following ways:

|                    |   |
|--------------------|---|
| <b>Telephone</b>   | Call us on 1300 657 010 from 8.00am to 6.30pm Monday to Friday (Sydney time).                               |
| <b>Mail or fax</b> | Write to us at<br>Wrap/SuperWrap<br>GPO Box 2337<br>Adelaide SA 5001<br>or send us a fax at (02) 9274 5784. |
| <b>Other</b>       | Contact your financial adviser.   |



### What to do next

To find out more about Wrap

- **Contact your Business Development Manager**
- **Call Wrap Adviser Relations on 1300 360 899**

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