



## **A guide to our financial services**

Financial Services Guide

Dated 1 October 2009



### **BT Funds Management Limited**

ABN 63 002 916 458

Australian Financial Services

Licence No. 233724

RSE Licence No: L0001090

### **BT Funds Management No. 2 Limited**

ABN 22 000 727 659

Australian Financial Services

Licence No. 233720

RSE Licence No: L0001076

### **Westpac Financial Services Ltd**

ABN 20 000 241 127

Australian Financial Services

Licence No. 233716

## About this Financial Services Guide

This Financial Services Guide (FSG) is issued by BT Funds Management Limited ABN 63 002 916 458 (BTFM); BT Funds Management No. 2 Limited ABN 22 000 727 659 (BTFM 2); and Westpac Financial Services Ltd ABN 20 000 241 127 (WFS) (collectively we, us or our) to inform you of the financial services we offer. It is designed to help you as a retail customer to decide whether to use these services and to ensure that BTFM, BTFM 2 and WFS comply with their obligations as financial services licensees.

This FSG tells you:

- About us
- About our financial services and financial 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 us or about this FSG, please contact us. Our contact details are set out on page 8 of this FSG. Any changes to these details for BTFM and BTFM 2 can be found at [www.bt.com.au](http://www.bt.com.au) and for WFS on [www.westpac.com.au](http://www.westpac.com.au).

Generally where we issue, offer or arrange to issue a financial product to you, we will, if required, provide you with 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 fees and charges which may apply. These documents will be provided to help you make an informed decision about the financial product and to comply with our obligations as financial services licensees.

## About BTFM, BTFM 2 and WFS

BTFM, BTFM 2 and WFS each hold an Australian Financial Services Licence (AFSL) that authorises them to provide the financial services set out below.

Authorised financial services and the financial products to which they relate	BTFM (AFSL No. 233724)	BTFM 2 (AFSL No. 233720)	WFS (AFSL No. 233716)
<b>General financial product advice for, and deal in:</b>			
Deposit and payment products	✓	✓	✓
Derivatives	✓	✓	✓
Foreign exchange contracts	✓	✓	✓
General insurance products	✓		✓
Government debentures, stocks or bonds	✓	✓	✓
Life products	✓	✓	
Interests in managed investment schemes including investor directed portfolio services (IDPS)	✓	✓	✓
Securities	✓	✓	✓
Superannuation products	✓	✓	
<b>Operate the following kinds of registered managed investment schemes (including the holding of any incidental property) in its capacity as responsible entity:</b>			
Schemes which only hold specified types of property	✓	✓	✓
	(Derivatives; direct real property and financial assets)	(Derivatives and financial assets)	(Derivatives; financial assets and mortgages)
IDPS-like schemes	✓		✓
<b>Provide the following custodial or depository services:</b>			
Operate custodial or depository services other than IDPS	✓	✓	✓

BTFM, BTFM 2 and WFS are also authorised by their respective AFSLs to underwrite interests in managed investment schemes and an issue of securities.

BTFM, BTFM 2 and WFS are members of the Westpac Banking Corporation (Westpac) group of companies which includes Westpac, Westpac Life Insurance Services Limited, Westpac Securities Administration Limited, Westpac Funds Management Limited, BT Financial Group Pty Limited, BT Australia Corporate Services Pty Limited, BT Portfolio Services Limited, BT Life Limited, BT Securities Limited, St. George Bank Limited, Asgard Capital Management Limited, Asgard Wealth Solutions Limited, Advance Asset Management Limited, St. George Life Limited and other entities which provide various financial, funds management, insurance, superannuation, investment and administrative services from time to time (**Westpac Group**).

The registered address of BTFM, BTFM 2 and WFS is Level 20, Westpac Place, 275 Kent Street, Sydney, NSW 2000.

Unless otherwise disclosed in the PDS or other disclosure document for the relevant financial product, a financial product issued or distributed by BTFM, BTFM 2 or WFS is not a deposit with, investment in or other liability of Westpac, nor any other company within the Westpac Group and neither Westpac nor any other company within the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of any financial product issued or distributed by BTFM, BTFM 2 or WFS. Financial products issued or distributed by BTFM, BTFM 2 and WFS (other than life risk products and certain guaranteed financial products) are subject to investment risk, including possible delays in repayment and loss of income and principal invested.

## **Our financial services and financial products**

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

BTFM, BTFM 2 and WFS are responsible entities of managed funds. As a responsible entity of a managed fund, each of us is the issuer of units in that fund. BTFM and BTFM 2 are also trustees of superannuation funds and pooled superannuation trusts. As a trustee of superannuation funds or pooled superannuation trusts, BTFM and BTFM 2 issue units in superannuation funds or pooled superannuation trusts.

BTFM distributes investment services branded as 'BT Wrap' and 'BT Wrap Essentials' that 'wrap' around your portfolio of investments in managed funds and listed securities (**Wrap**). BTFM also arranges the issue to clients of interests in sub-plans of a complying public offer superannuation fund, branded as 'BT SuperWrap' and 'BT SuperWrap Essentials' (**SuperWrap**). Generally, through both Wrap and SuperWrap, you are able to access managed funds and listed securities. BTFM in its capacity as distributor of Wrap and/or SuperWrap is referred to throughout this FSG as a **Wrap Distributor**.

BTFM, BTFM 2 and WFS also provide general financial product advice in relation to those financial products which they are authorised to provide.

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

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

BTFM, BTFM 2 and WFS will each provide, and be responsible for, the financial services they respectively provide to you and described in this FSG. BTFM, BTFM 2 and WFS will provide these services through their respective representatives who are: employees of companies within the Westpac Group (Staff Members); employees of third party service providers and any authorised representatives appointed by each of them.

BTFM, BTFM 2 and WFS each act on their own behalf as a financial services licensee when providing financial services.

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

No. BTFM, BTFM 2 and WFS only provide factual information and general advice regarding financial products we are authorised to provide. 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 BTFM, BTFM 2 and WFS instructions in writing, by fax, telephone or other means by pre-arrangement with us. How you give each of us instructions will depend on the services we provide to you and the arrangements agreed between you and BTFM, BTFM 2 and WFS (as the case may be) when you acquire a financial product issued by us. Details of such arrangements are generally set out in the PDS, other disclosure document, or other documents (such as an annual report) for the relevant financial product.

### **Compensation arrangements**

BTFM, BTFM 2 and WFS hold 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 BTFM, BTFM 2 and WFS and their respective representatives, including claims that may arise after their employment with BTFM, BTFM 2 and WFS have ceased.

## **Information about fees and other benefits**

The fees, commissions, remuneration and other benefits (collectively, Fees) that BTFM, BTFM 2 and WFS each receive for providing a financial service to you depend on the service provided to you and the financial product acquired by you, and are detailed below. If BTFM, BTFM 2 or WFS issues, offers or arranges to issue a financial product to you, it will, if required, give you a PDS or other disclosure document detailing the Fees it may receive in relation to that product and how it is paid. The Fees referred to below do not simply represent our individual profit margins but also go towards covering our own individual costs (including payments to third parties for services they provide) and overheads.

### **1\_Product Issuer Fees**

BTFM, BTFM 2 or WFS may each receive Fees when you purchase or while you hold a financial product issued by BTFM, BTFM 2 or WFS respectively. These Fees are generally based on a percentage of the value of the investment or are flat Fees and may include:

- **Contribution Fees** which are generally deducted from your application monies when a financial service is provided or when the financial product is issued by BTFM, BTFM 2 or WFS (including where further investments are made or switches are made between existing investments); and/or
- **Ongoing Fees** which are generally deducted from your account balance, premium payments or from the value of the relevant fund or portfolio. These Fees are generally received by BTFM, BTFM 2 or WFS after the end of the relevant calculation period (for example, monthly, quarterly, half-yearly or yearly) for as long as the financial product is held or for as long as the financial service is provided, and may include management, account keeping, transaction or performance based Fees; and/or
- **Withdrawal Fees** which are generally deducted from the redemption proceeds when you dispose of or redeem financial products issued by BTFM, BTFM 2 or WFS.

Details of the Fees which may be received for issuing a financial product will be contained in the PDS, other disclosure document, or other document (such as an annual report) for the relevant financial product.

Other than as disclosed in the relevant PDS, other disclosure document or other document, BTFM, BTFM 2 and WFS do not charge any Fees for specific factual information or general advice provided to you in relation to the financial products issued by us.

### **2\_Fund Manager Fees/Commissions**

BTFM, BTFM 2 or WFS may receive commissions from fund managers whose managed funds are accessible through the financial products issued by them respectively. These commissions may be up to 55% of the Ongoing Fees and other direct expenses of the managed fund. The actual amount of commissions received from the fund managers varies according to a number of factors including the nature of the underlying fund and the relevant financial product. These commissions (if any) will be received periodically (for example, monthly, quarterly, half-yearly or yearly) for as long as the financial product issued by the underlying fund manager is held.

### **3\_Wrap Distributor Fees**

BTFM, as a Wrap Distributor, does not receive any Fees or commissions when distributing Wrap or SuperWrap.

### **4\_Insurance Commissions**

With respect to the issue of superannuation products by BTFM or BTFM 2, if you elect to take out insurance offered as part of the product, BTFM, BTFM 2 or a related entity in the Westpac Group may receive commissions from the relevant insurer as a fee for services and reimbursement for expenses incurred in relation to the insurance arrangements for the product. These commissions vary according to a number of factors including the financial products acquired and range from 0% to 42% of the insurance premiums. These commissions are received periodically (generally monthly in arrears) from the insurer.

Additionally, the relevant insurer may pay BT Financial Group Pty Ltd (ABN 38 087 480 331) or other related companies (including BT Life) a fixed dollar payment per annum, an amount which represents up to 4% of total premiums for expenses incurred in relation to insurance with regards to BT personal and corporate superannuation funds.

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

Staff Members receive salaries (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, level of referrals to BTFM, BTFM 2 and WFS and by reference to other performance measures. Bonuses are paid quarterly, half-yearly or yearly and may in certain cases instead of cash 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. The incentives range from small non-monetary rewards such as movie tickets to more valuable benefits such as pre-paid holiday packages or 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 on which the Staff Member has advised upon or has provided.

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

BTFM, BTFM 2 and WFS have relationships with other companies (including companies within the Westpac Group) that manage, market, issue and provide financial products and services that you may acquire from, or through, us. Each of us may pay up to 100% of the Fees we receive in respect of, or attributable to, the financial services we provide to you, to these companies for providing these services and products. The relevant Fees are paid to these companies periodically (for example, monthly, quarterly, half-yearly or yearly).

When you invest, through the financial products issued or distributed by any of us, in financial products offered by product issuers, those product issuers may receive Fees in relation to your investment in that product. Such Fees may include Contribution Fees, Ongoing Fees, Withdrawal Fees and any other Fees specified in the PDS or other disclosure document for the particular product or service.

BTFM, BTFM 2 or WFS may also pay Fees to companies within the Westpac Group for selling the financial products issued by them respectively. Such Fees are paid upfront (when the customer pays the premium or acquires the financial product) or periodically (such as monthly, quarterly, half-yearly and yearly) on an ongoing basis for as long as the financial product is held. In relation to managed investment products and superannuation products, we pay these companies Contribution Fees of up to 5% of the amount invested and Ongoing Fees of up to 0.8% pa of the value of your investment. The amount and type of Fees paid to these companies varies according to a number of factors including the financial product acquired.

### **Fees for those who refer customers to BTFM, BTFM 2 and WFS**

If a customer is referred to BTFM, BTFM 2 or WFS (whether by a person or company within or outside the Westpac Group), each of BTFM, BTFM 2 and WFS respectively may pay the referrer a Fee (Referral Fee). The Referral Fee is a percentage of the total amount invested or paid, or a flat fee. The Referral Fee is paid upfront when the financial service is provided or the financial product is issued, or on an ongoing basis, paid periodically (for example, monthly, quarterly, half-yearly or yearly).

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

We maintain a register that outlines the material alternative forms of remuneration that we pay to some distributors of our products, or receive from providers of some 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 page 8.

## **If you have a complaint**

Problem resolution is a priority for BTFM, BTFM 2 and WFS. If you have any problems with the financial services that we provide and wish to make a complaint, please contact us as set out below and we will do our best to resolve it for you quickly and fairly.

As a first step please contact us by telephone from 8.00am to 6.30pm, Sydney time, Monday to Friday on 132 135 for BTFM and BTFM 2 and on 131 817 for WFS. Alternatively, you can contact us by email or in writing to the Complaints Officer at the addresses set out on page 8 of this FSG.

We will let you know that we have received your complaint and a Complaints Officer will try to resolve your complaint within 30 days.

If you are still not satisfied you can refer your complaint to one of the following external complaints organisations depending on the financial product in question:

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

FOS deals with complaints about responsible entities of managed investment schemes, licensees who give retail investment advice and life insurance.

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, pooled superannuation trusts, annuities, deferred annuities and pensions.

Locked Bag 3060

GPO Melbourne VIC 3001

Telephone 1300 884 114

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 & Investments Commission also has a free call Infoline on 1300 300 630. You can use 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 BTFM, BTFM 2 and WFS and we are committed to promoting a privacy policy that will ensure the privacy and security of your information.

The personal information that each of us collects will be used to provide you with financial services and for the purposes of other related activities including administration, planning and research.

Each of us 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 behalf of any of us (for example, a mailing house), to a person who acts on your behalf in relation to your investment (such as your 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 BTFM and BTFM 2 retain about you by telephoning 132 135 and for WFS by telephoning 131 817.

Sometimes there will be a reason why it is not possible to provide you access to this information, in which case we will tell you why.

Each of us, as well as 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 any of us or any other companies within the Westpac Group. If you do not wish to receive this information, please contact us as set out below.

If you only hold BT products through an external 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).

### Contacting BTFM, BTFM 2 and WFS

You can contact BTFM, BTFM 2 and WFS in any of the following ways:

<b>Telephone</b>	Call BTFM and BTFM 2 on 132 135 and WFS on 131 817 from 8.00am to 6.30pm Monday to Friday (Sydney time).
<b>Mail or Fax</b>	
<b>Internet</b>	Visit <a href="http://www.bt.com.au">www.bt.com.au</a> (for BTFM and BTFM 2) and <a href="http://www.westpac.com.au">www.westpac.com.au</a> (for WFS)
<b>Email</b>	Send an email to <a href="mailto:customer.relations@btfinancialgroup.com">customer.relations@btfinancialgroup.com</a>
<b>In person</b>	Visit a Westpac branch.