

A guide to our Financial services

Financial Services Guide

Dated 1 July 2015

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

Prepare for the best.



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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 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 the back cover of this FSG. Any changes to these details for BTFM and BTFM 2 can be found at bt.com.au and for WFS on 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.

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)
General financial product advice for, and/or deal in:			
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	✓	✓	
Margin Lending	✓	✓	✓
Operate the following kinds of registered managed investment schemes (including the holding of any incidental property) in its capacity as responsible entity:			
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	✓		✓
Provide the following custodial or depository services:			
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, BT Financial Group Pty Limited, BT Securities Limited, Asgard Capital Management Limited, Asgard Wealth Solutions Limited, Advance Asset Management Limited, BT Investment Management (RE) 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 interests in superannuation funds or pooled superannuation trusts. BTFM and WFS are also the responsible entities for IDPS-like schemes which comply with the Australian Securities and Investments Commission (ASIC) Class Order 02/296.

BTFM distributes various investment services that 'wrap' around your portfolio of investments which may include managed funds and listed securities (wrap products). BTFM is also the trustee and issuer of interests in complying public offer superannuation funds including super wraps. Generally, through both wrap and super wrap products, you are able to access investments which include managed funds and listed securities.

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 by email, telephone, in writing 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 are exempt from the professional indemnity insurance requirements for compensation arrangements as BTFM, BTFM 2 and WFS have a guarantee provided by Westpac. This guarantee has been approved by ASIC. These arrangements meet relevant legislative requirements.

Information about fees and other benefits

What fees or other benefits are received by us

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 receive Fees for issuing financial products. Details of these Fees will be contained in the PDS, other disclosure document(s), or other documents (such as an annual report) for the relevant financial product.

The Fees BTFM, BTFM2 or WFS receives for issuing financial products are generally based on a percentage of the value of the investment or any addition made to the investment, or may be a set dollar amount and include:

- **Upfront Fees** which are generally deducted from your application monies when a financial service is provided or the financial product is sold or issued; and/or
- **Ongoing Fees** (including premium payments/insurance fees) which are generally deducted from your account balance, the unit price of the relevant financial product or from a specified bank account. These Fees are paid 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 include management (for example administration and investment), account keeping, transaction or performance based Fees; and/or
- **Exit Fees** which are generally deducted from the redemption proceeds when you dispose of or redeem 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 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 70% of the Ongoing Fees for fund managers external to the Westpac Group or up to 100% of the Ongoing Fees for fund managers provided by members of the Westpac Group. 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 distributor of BT and Asgard branded wrap products, does not receive any Fees or commissions.

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 44.5% 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 a fixed dollar payment per annum, which represents up to 2% 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 or products we provide to you, to these companies for providing these services and/or 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 Upfront Fees, Ongoing Fees, Exit 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 Upfront 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).

You may request details of the Referral Fee specific to a financial service and/or financial product offered by us within a reasonable time after the FSG is given and before you are provided with the financial service and/or financial product.

Alternatively, if you have a financial adviser and if the amount of the Referral Fee they will receive (for advice provided to you in relation to specific financial products) can be calculated at the time you receive advice, the actual amount will be disclosed to you at the time the advice is given or as soon as practicable after that time. If the amount cannot be calculated at the time you receive the advice, they will disclose the manner in which the payment is to be calculated at the time the advice is given or as soon as practicable after that time.

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. Our contact details are on the back cover of this FSG.

If you have a complaint

Problem resolution is a priority for BTFM, BTFM 2 and WFS. We have established complaint resolution procedures that aim to deal with complaints quickly and fairly. If you have a complaint about any of your financial services or financial products, please contact us. You can contact us from anywhere in Australia, by:

Telephone 132 135 (between 8.00am and 6.30pm (Sydney time) Monday to Friday)
Email bt.com.au and click on 'Contact Us', or send an email to the Complaints Officer at customer.relations@btfinancialgroup.com
Fax (02) 9274 5402
Mail Reply paid 2675, Sydney, NSW 2001

We will acknowledge the complaint. This may be done in person or by phone, post or email, as soon as we can after receipt of your complaint. We will tell you the name and contact details of the person handling your complaint. We aim to resolve complaints as quickly as possible. Complaint resolution can take up to 30 days, and in some cases it may take 45 days. We will let you know why it is taking longer, what is happening and a date by which you can reasonably expect a response. If you remain dissatisfied with the outcome, you can refer your complaints to one of the following external complaint organisations:

Financial Ombudsman Service (FOS)

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

Mail GPO Box 3, Melbourne VIC 3001
Telephone 1300 780 808
Fax (03) 9613 6399
Email info@fos.org.au
Internet fos.org.au

Superannuation Complaints Tribunal (SCT)

The SCT deals with complaints about superannuation funds, pooled superannuation trusts, annuities, deferred annuities and pensions.

Mail Locked Bag 3060, GPO Melbourne VIC 3001
Telephone 1300 884 114
Fax (03) 8635 5588
Email info@sct.gov.au
Internet sct.gov.au

ASIC 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

Why we collect your personal information

We collect personal information from you so that we can process your application, provide you with a product or service, and manage your product or service. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to our products or services and help us to run our business. We may also use your information to tell you about products or services we think may interest you.

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

How we collect your personal information

Your financial adviser may provide information about you to us on our websites or otherwise, as part of an electronic facility or service offered by us that the financial adviser for your account can use to store and access your information and produce reports containing your information. If information about you is provided to us using this facility or service, but not for the purposes of, or in relation to, the acquisition by you of a product or service from a member of the Westpac Group, then, other than for the purposes indicated, we'll not use your information for any purpose without your consent.

Disclosing your personal information

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

In addition, the insurer may need to disclose your personal information to:

- medical practitioners or health professionals for the purpose of assessing your insurance application or claim
- reinsurers and claims investigators
- your insurance representative.

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

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

Other important information

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

→ The Privacy Policy covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the *Privacy Act 1988* (Cth), or a registered privacy code and how we will deal with your complaint;
- how we collect, hold, use and disclose your personal information in more detail.

The Privacy Policy will be updated from time to time.

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

We will use your personal information to contact you or send you information about other products and services offered by the Westpac Group or its preferred suppliers. If you do not wish to receive marketing communications from us please call us on 132 135.

For further details, please refer to our Privacy Policy at bt.com.au.



For more information



To us at a branch



customer.relations@btfinancialgroup.com



132 135



BTFM and BTFM2 bt.com.au
WFS westpac.com.au