

# BT Wholesale Partner Australian Shares Core 1










Product Disclosure Statement (PDS)

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### How to read this document

This PDS provides a summary of the key information you need to make a decision, and contains a number of references to additional information (marked with a  symbol) which also forms part of this PDS.

**This is important information you should consider before making a decision to invest in the BT Wholesale Partner Australian Shares Core 1 ('the Fund').**

The information in this document is general information only and does not take into account your personal financial situation or needs. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

Investments in the Fund can only be made by someone receiving this PDS (including an electronic version) in Australia. If you are in possession of this PDS outside Australia, you should seek advice regarding restrictions on investing. Failure to comply with relevant restrictions may violate laws.



You should read the following important information before making a decision.

**! 1.1 Consents**

Go to page 3 of the Additional Information booklet or visit [www.bt.com.au/wspds](http://www.bt.com.au/wspds). This information may change between the time you read the PDS and the day you sign the Application form.

**i 1**

**About BT Funds Management Limited ! 1.1**

BT Funds Management Limited (ABN 63 002 916 458 AFSL 233724) ('we', 'us') is the Responsible Entity for the Fund. We offer investors a wide choice of investments and the security of ongoing monitoring and analysis. We are also responsible for the day-to-day administration of the Fund, and for ensuring it complies with the constitution and legislation. This responsibility includes establishing, implementing and monitoring the Fund's investment objective and strategy. We are the issuer of units in the Fund offered in this PDS and have prepared this PDS.

We are a subsidiary of Westpac Banking Corporation (ABN 33 007 457 141 AFSL 233714) ('Westpac'). An investment in the Fund is not an investment in, deposit with, or other liability of Westpac or any other company in the Westpac Group. An investment in the Fund is subject to investment risk, including possible delays in the payment of withdrawals and loss of income and principal invested. No member of the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of the Fund.

We have appointed Alphinity to manage Australian shares for the Fund. Alphinity is a boutique Australian equities investment manager whose goal is to add value through an investment philosophy and process that is distinctive, rigorous and disciplined.

Alphinity aims to deliver consistent outperformance for its clients by investing in companies with underestimated forward earnings expectations. Its process to identify such companies uses a distinctive combination of fundamental analysis and quantitative inputs.

Our investment team provides in-depth monitoring and analysis of the Fund and its investment manager. We do not directly manage money, so we are able to make expert, unbiased assessments about the investment manager who manages your money.



You should read the following important information before making a decision.

**! 2.1 Custodian of the Fund**

**! 2.2 Valuing your investment**

Go to page 5 of the Additional Information booklet or visit [www.bt.com.au/wspds](http://www.bt.com.au/wspds). This information may change between the time you read the PDS and the day you sign the Application form.

**i 2**

**How the BT Wholesale Partner Australian Shares Core 1 works ! 2.1**

When you invest your money in the Fund, your money is pooled together with other investors' money. We use this pool to buy investments, and those investments are managed on behalf of all investors in the Fund. By investing this way you acquire an interest in the Fund and can access skilled investment management as well as investments you may otherwise not be able to access. However, we have day-to-day control over the operation of the Fund.

So that you know what your interest in the Fund is worth, we divide the total value of the assets in the Fund into 'units', and issue these units to investors. We will calculate a price for each unit and keep a record of the number of units you have acquired.

You can increase your units by reinvesting distributions or making an additional investment, or decrease your units by making a withdrawal.

**Unit prices ! 2.2**

Generally, unit prices are calculated each Business Day for the preceding Business Day. A Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Sydney. The unit price will change as the market value of assets in the Fund rises or falls.

Entry prices are generally higher than exit prices due to the costs of buying and selling the underlying assets in the Fund. The difference is called the 'buy-sell spread'. There is no buy-sell spread on distributions that are reinvested.

## Minimum initial investment 2.3

The minimum initial investment in the Fund is \$500,000.

## How to withdraw 2.4 2.5

You can mail a written notice of withdrawal to us at the mailing address set out on the back page.

We will generally pay withdrawals to your nominated Bank Account within five Business Days, or within 14 Business Days if you choose to receive a cheque. A Bank Account means an account with an Australian Authorised Approved Deposit Taking Institution (which includes a building society and credit union).

In certain circumstances, such as a freeze on withdrawals or where the Fund is illiquid (as defined in the *Corporations Act 2001*), you may have to wait a longer period of time before you can redeem your investment.

## How we process transactions

Generally, if we receive your correctly completed application and monies or a correctly completed withdrawal request before 4pm (Sydney time) on a Business Day, it will be processed with the unit price calculated for that day. Where we receive correctly completed documentation and monies (where applicable) after 4pm (Sydney time) on a Business Day, it will be processed using the unit price determined for the following Business Day.

## Distributions 2.6 2.7

The Fund generally pays distributions quarterly.

Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of units on issue. We distribute all taxable income to investors each year, including the net capital gains of the Fund. Net realised capital gains are typically distributed in the final distribution of the financial year.

Distribution payments are generally made within 10 Business Days after the end of the distribution period.

## Indirect investors

We authorise the use of this PDS as disclosure to people who wish to access the Fund indirectly through an Investor Directed Portfolio Service (IDPS), IDPS-like scheme or a nominee or custody service (collectively referred to as master trusts or wrap accounts).

An investment in the Fund offered under this PDS through a master trust or wrap account does not entitle you to a direct interest in the Fund. This means the rights that apply to someone who invests directly in the Fund are not available to you, but rather to the operator or custodian of the master trust or wrap account.

The operator or custodian of the master trust or wrap account will be recorded in the register as the investor and will be the person who exercises the rights and receives the benefits of an investor.



# Benefits of investing in the BT Wholesale Partner Australian Shares Core 1

## Key features

The BT Wholesale Partner Australian Shares Core 1 Fund is an actively managed portfolio of Australian shares. The shares are managed by Alphinity. You can find the latest information about the investment manager on [www.bt.com.au/wspds](http://www.bt.com.au/wspds).


## Key benefits


The Fund offers a number of important benefits. The significant benefits of the Fund are as follows.


- Potential for long-term capital growth and enhanced performance through active management.
- A team of experienced and dedicated professionals actively looking after your investment.
- We will send you regular investment statements and an annual tax statement for the Fund.




You should read the following important information before making a decision.

 **2.3** Important information about making additional investments

 **2.4** How to withdraw

 **2.5** Restrictions on withdrawals

 **2.6** Distribution payment details

 **2.7** Reinvesting distributions

Go to page 5 of the Additional Information booklet or visit [www.bt.com.au/wspds](http://www.bt.com.au/wspds). This information may change between the time you read the PDS and the day you sign the Application form.



You should read the following important information before making a decision.

- ! 4.1 What is investment risk?**
- ! 4.2 Reducing your investment risk**
- ! 4.3 Choosing the right investment for your risk level**
- ! 4.4 Additional potential risks**
- ! 4.5 Asset classes and additional risks**

Go to page 10 of the Additional Information booklet or visit [www.bt.com.au/wspds](http://www.bt.com.au/wspds). This information may change between the time you read the PDS and the day you sign the Application form.



## Risks of managed investment schemes

**! 4.1** **! 4.2** **! 4.3** **! 4.4** **! 4.5**

All investments carry risk.

The likely investment return and the risk of losing money is different for each managed fund, as different strategies carry different levels of risk based on the underlying mix of assets. Generally, the higher the level of risk you are prepared to accept, the higher the potential returns or losses. Assets with the highest long-term returns may also carry the highest level of short-term risk. Growth assets, such as shares and property, are generally considered the most volatile assets, ie they are likely to experience greater fluctuations in value than defensive assets, such as fixed interest and cash.

The significant risks for the Fund are as follows.

### Asset class risk

This is the risk associated with a particular asset class. For example, shares are generally more volatile than fixed interest investments, while investing in international shares adds additional risks because of currency movements, differing tax structures and social, economic and political factors affecting a country or region.

### Market risk

This is not stock specific; it is the risk that the price of a security may be impacted by macroeconomic factors and events that affect the market as a whole.

### Specific security risk

This is the risk associated with an individual asset. The price of shares in a company may be affected by unexpected changes in that company's operations such as changes in management or the loss of a significant customer.

### Liquidity/Transparency risk

This is the risk that a security or asset cannot be traded quickly enough in the market to prevent a loss (or make the necessary profit).

Risk can be managed but it cannot be completely eliminated. It is important to understand the following.

- The value of your investment will go up and down.
- Past performance is not an indicator of future performance.
- The level of returns will vary and future returns may differ from past returns.
- Returns are not guaranteed and there is always the chance you may lose money on any investment you make in the Fund.
- Laws affecting your investment in a managed fund may change over time.

The level of risk for you will depend on your age, investment timeframe, where other parts of your wealth are invested and how comfortable you are with fluctuations in the value of your investment over your investment timeframe.



# 5


## How we invest your money 5.1 5.2


**You should note: consider the Fund's investment objective, risk level, your individual circumstances and your timeframe to invest, before choosing to invest in the Fund.**

BT Wholesale Partner Australian Shares Core 1	
Fund description	The BT Wholesale Partner Australian Shares Core 1 Fund provides investors with the potential for long-term capital growth and some income. It delivers significant diversification benefits for investors by providing access to a broad range of companies and industries, and gives investors access to ongoing monitoring of the underlying investment manager to ensure the style and performance of the Fund meets expectations.
Investment return objective	The Fund aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 300 Accumulation Index over the medium to long term.
Minimum suggested timeframe	5 years +
Mix of asset classes	→ Australian Shares 80-100% → Cash 0-20%
Fund strategy	The Fund is actively managed and invests primarily in Australian shares without a predetermined growth or value bias.
Risk level	High High risk of short-term loss. Likely to produce high returns over the minimum suggested timeframe.
Fund performance	For up-to-date information on the performance of the Fund, including performance history, please visit <a href="http://www.bt.com.au/wspds">www.bt.com.au/wspds</a> .
Type of investors for whom the Fund is intended to be suitable	Mainly investors seeking an investment in Australian shares to meet long term financial goals. The Fund may incur capital losses over the short term. In many cases investors will invest indirectly through a 'platform' product such as a master trust or wrap account. Investors who have relatively little or limited knowledge of investments or financial matters are likely to rely heavily on advice they receive from the financial adviser. Professional and self directed investors may also take up units.
Changes to Fund details and investments	We have the right to make changes to the Fund at any time, and in some cases without prior notice. This could include closing or terminating the Fund, amending its investment parameters, including the investment objective and strategy, or changing the asset class allocation ranges and currency strategy (if applicable). We will inform you about any material change to the Fund's details in your next regular communication or as otherwise required by law. We regularly review the Fund's selected investment managers and as part of this review process we may remove or add an investment manager. Details of any change will be available on <a href="http://www.bt.com.au/wspds">www.bt.com.au/wspds</a> .



You should read the following important information before making a decision.

 **5.1 Labour standards or environmental, social or ethical considerations**

 **5.2 Important investment information**

Go to page 16 of the Additional Information booklet or visit [www.bt.com.au/wspds](http://www.bt.com.au/wspds). This information may change between the time you read the PDS and the day you sign the Application form.



## Fees and costs

To see how fees and costs may affect your account balance, use the calculator on the ASIC website at [www.moneysmart.gov.au/tools-and-resources/calculators-and-tools/managed-funds-calculator](http://www.moneysmart.gov.au/tools-and-resources/calculators-and-tools/managed-funds-calculator).

### DID YOU KNOW?

Small differences in both investment performance, and fees and costs, can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether the features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out the different fee options.

This section provides summary information about the main fees and costs that you may be charged for the Fund. These fees and costs may be deducted from your investment, from the returns on your investment or from the Fund's assets as a whole. You should read all the information about fees and costs because it is important to understand their impact on your investment. You can use the information in the table below to compare the fees and costs with those of other managed funds.

Type of fee or cost <sup>1,2</sup>	Amount
Fees when your money moves in or out of the Fund	
Establishment fee	Not applicable
Contribution fee	Not applicable
Withdrawal fee	Not applicable
Termination fee	Not applicable
Management costs	
The fees and costs for managing your investment <sup>3</sup>	0.89% of investor balance per year

**You should note: there may be additional service fees payable. Refer to the Additional Information booklet for a range of these fees. Additional fees may also be payable to a financial adviser, if you consult a financial adviser, and you should refer to the Statement of Advice for details.**

1\_ Unless otherwise stated, all fees quoted in this PDS are quoted on a GST inclusive basis and net of any applicable Reduced Input Tax Credits.

2\_ Fees in this PDS can be individually negotiated if you are a wholesale client under the Corporations Act.

3\_ The management fees are paid from the assets of the Fund and are reflected in the unit price of your investment.

## Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs of the Fund can affect your investment over a one year period. You can use this table to compare this product with other managed funds.

Example - Balance of \$550,000 <sup>4</sup> with an investment of \$5,000 <sup>4</sup> during the year		
Contribution fee	\$0	For every additional \$5,000 you put in you will be charged \$0.
<b>Plus</b> Management costs	0.89%	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$445.
<b>Equals</b> Cost of Fund		If you had an investment of \$550,000 at the beginning of the year and you invest an additional \$5,000 at the end of that year, you would be charged fees of: \$4,895 <sup>5</sup> What it costs you will depend on the fees you negotiate with your Fund or financial adviser.

## Additional explanation of fees and costs

### Changes in fees and costs

The management fee is the fee charged for managing the assets of the Fund and overseeing the operations of the Fund. The management fee is charged as a percentage of the value of the Fund. It is accrued daily and paid from the Fund monthly. The constitution for the Fund limits the management fee to 4% (excluding GST).

We may change the amount of the management fee without your consent. If we increase the management fee, we will provide you with 30 days written advance notice.

### Transaction costs

In managing the assets of the Fund, the underlying investment manager may incur transaction costs such as brokerage, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. This generally happens when the assets of a Fund are changed or when there are net cash flows into or out of a Fund.

Transaction costs will be charged in the form of a 'buy-sell spread'. These costs are determined after the daily unit price is calculated and are applied in addition to the daily unit price (applied when you invest). The buy-sell spread is an additional cost to you and is paid to the Fund to ensure other unit holders are not disadvantaged by the trading activity.

The current buy-sell spread on buying is 0.60% of the net value of the Fund's assets. We may vary the buy-sell spread from time-to-time and we will not ordinarily provide prior notice.



## How managed investment schemes are taxed

**You should note: investing in the Fund is likely to have tax consequences. We strongly advise that you seek professional tax advice before investing in the Fund.**






The Fund generally distributes all taxable income, including net capital gains, to investors each year. This means that under existing Australian tax legislation, the Fund is not liable for income tax. Your share of the distributions made by the Fund each year becomes part of your assessable income. Managed funds do not pay the tax liability on behalf of investors.

You may also be subject to Capital Gains Tax on the disposal of your investment in the Fund.

Investing in the Fund may also affect your entitlement to pension or other social security benefits. We suggest you seek advice from your financial adviser or Centrelink.








You should read the following important information before making a decision.

-  **6.1 Further information on fees**
-  **6.2 Contribution (or entry) fees**
-  **6.3 Management costs**
-  **6.4 Payments to platforms**
-  **6.5 Alternative forms of remuneration register**

Go to page 18 of the Additional Information booklet or visit [www.bt.com.au/wspds](http://www.bt.com.au/wspds). This information may change between the time you read the PDS and the day you sign the Application form.



You should read the following important information before making a decision.

-  **7.1 Tax position of the Fund**
-  **7.2 Taxation of unit holders**
-  **7.3 Acquisition and disposal of units**
-  **7.4 Non-resident investors**
-  **7.5 Quoting your tax file number**

Go to page 22 of the Additional Information booklet or visit [www.bt.com.au/wspds](http://www.bt.com.au/wspds). This information may change between the time you read the PDS and the day you sign the Application form.

<sup>4</sup> This amount is prescribed by legislation.

<sup>5</sup> Additional fees may apply. Please note this example does not capture all the fees and costs that may apply to you, such as the buy-sell spread.



You should read the following important information before making a decision.

**! 8.1 Cooling-off period**

Go to page 25 of the Additional Information booklet or visit [www.bt.com.au/wspds](http://www.bt.com.au/wspds). This information may change between the time you read the PDS and the day you sign the Application form.



You should read the following important information before making a decision.

**! 9.1 Unit holder rights**

**! 9.2 The Constitution**

**! 9.3 Roles and responsibilities of an appointed representative**

**! 9.4 Related party transactions and conflicts of interest**

**! 9.5 Our relationship with Westpac**

**! 9.6 Protecting your privacy**

Go to page 27 of the Additional Information booklet or visit [www.bt.com.au/wspds](http://www.bt.com.au/wspds). This information may change between the time you read the PDS and the day you sign the Application form.



## How to apply **! 8.1**

You should follow these steps to invest in the Fund.

- 1\_ Before completing the Application form you should read the entire PDS to ensure the Fund meets your needs.
- 2\_ Complete the Application form and the relevant Customer Identification Form available by calling 1800 813 886. Payment details and methods are available with the Application form. We will not accept applications from outside Australia. Cheques should be made payable to 'BT Funds Management Limited – a/c [Investor name(s)]'.
- 3\_ You should mail your completed forms to:  
BT Funds Management Limited  
Attn: BT Corporate Accounts Team, GPO Box 2675, Sydney NSW 2001  
Please note: we may decline to accept any application for units without giving reason. If you are a retail investor (as defined in the Corporations Act) investing directly in the Fund, you have a 14 day cooling-off period to confirm the investment meets your needs. If you exercise your cooling off rights, we will return your money to you; however, the amount we return may be different to your original investment. The amount may be higher or lower to reflect market movements and this may have tax implications for you. The amount returned will also be impacted by the deduction of reasonable transaction and administrative costs incurred by us or any other amount that may be deducted by us under the legislation. The 14 day cooling-off period commences on the earlier of:  
→ the end of the fifth day after we issue the units to you, or  
→ within 14 days from the date you receive confirmation of your application.
- 4\_ If you are not satisfied with us, please contact us and we will do our best to resolve any matters quickly and fairly. If we do not resolve your complaint to your satisfaction, you can refer the complaint to the independent Financial Ombudsman Service by calling 1300 780 808.



## Other information

- ! 9.1** **! 9.2** **! 9.3** **! 9.4** **! 9.5** **! 9.6**

The Fund is subject to regular reporting and continuous disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. You can also call us to obtain copies of the following documents, free of charge.

- The most recent annual financial report lodged with ASIC for the Fund.
- Any half year financial reports for the Fund lodged with ASIC after the lodgement of the above annual financial report and before the date of the PDS.
- Any continuous disclosure notices we place online at [www.bt.com.au](http://www.bt.com.au) or lodge with ASIC.

### Updated information

Information in this PDS is subject to change from time-to-time. For information that is not materially adverse, such as change of investment managers or minor changes to asset allocation for the Fund, you can obtain this in several ways.

- Contact your master trust or wrap account operator (for indirect investors).
- Your financial adviser.
- Go to our website, [www.bt.com.au/wspds](http://www.bt.com.au/wspds).
- Call BT Customer Relations on 1800 813 886.

### Contact details

If you have any questions or would like more information about BT Funds Management Limited or a copy of any material that is incorporated into this PDS by reference, you can contact us in the following ways.

- **Phone 1800 813 886**
- **Mail**  
**BT Funds Management Limited**  
**Attn: BT Corporate Accounts Team, GPO Box 2675, Sydney, NSW, 2001**
- [www.bt.com.au](http://www.bt.com.au)

