

How you can use Wrap Capital Protection



The dilemma that many people face as they save for their retirement is trading off the need for returns versus the need to manage the risk of loss if markets significantly fall.

So how do you balance the need to invest for growth whilst protecting yourself against the kind of losses that can derail your retirement plans? Wrap Capital Protection could be a suitable solution for you. Take a look at our case studies below for three ways you could use Wrap Capital Protection.

As always, you should read the Product Disclosure Statement and consult your financial adviser before making any investment decisions in relation to the Wrap Capital Protection product.

Why should I consider using Wrap Capital Protection?



Invest for growth Invest your nest egg for growth by speaking to your adviser about applying Wrap Capital Protection to more than 150 managed funds.



Protect your capital Even through market volatility, always know the future minimum outcome for your investment. The minimum is set when you first invest and then can increase regularly if your investment grows.



Flexibility Unlike many other retirement products, Wrap Capital Protection is flexible and can adapt to changing circumstances. You are not locked in or tied to your investments and you can amend your strategy if and when required.

Wrap Capital Protection delivers a solution that assists with managing the risks of investing for growth in a cost effective way. Leading up to and during your retirement, your savings will continue to be exposed to periods of volatility, including the risk of significant decline.

How can I use Wrap Capital Protection?

We have seen investors benefit from Wrap Capital Protection during 2013 through portfolio growth and increases to their minimum outcome to help fund and safeguard their retirement. Here are three ways you can use Wrap Capital Protection and remember to speak to your adviser about how the following scenarios might be relevant to you.

a. A risk-managed savings plan



Invest your savings (and future contributions) to reach your retirement goals while your savings are constantly protected to see you through the course of your retirement plan.

b. Managing growth when cash rates are low



With current low interest rates, seeking growth needs to be balanced with managing risk and this solution is an alternative means of finding that balance.

c. Setting an income plan for retirement

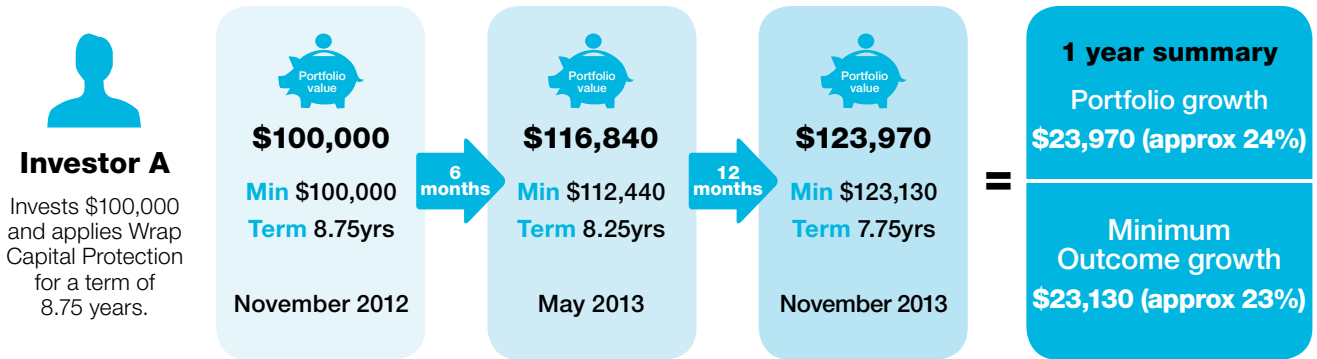


Arrange your nest egg to give you a set income in future years while it continues to grow your savings to fund your retirement.



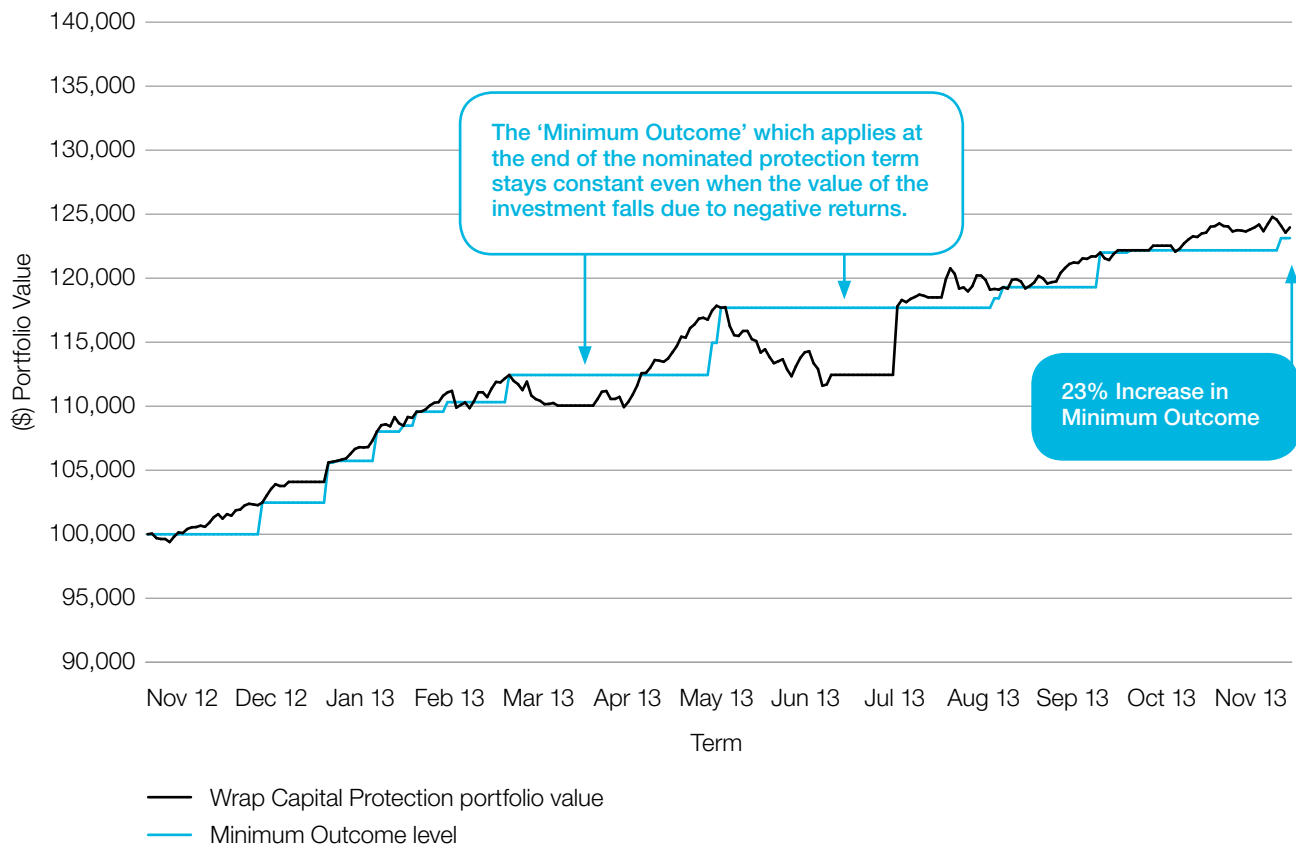
a. A risk-managed savings plan

In the example below Investor 'A' protected an investment of \$100,000 in a high growth fund in November 2012.[^] On a number of occasions they have taken advantage of the product feature to increase the minimum outcome to equal the current investment value to track their savings target or retirement goal.



Key: Min Minimum outcome Term length of protection term chosen

The below chart details what happens to Investor A's investment for the 12 months to November 2013[^]

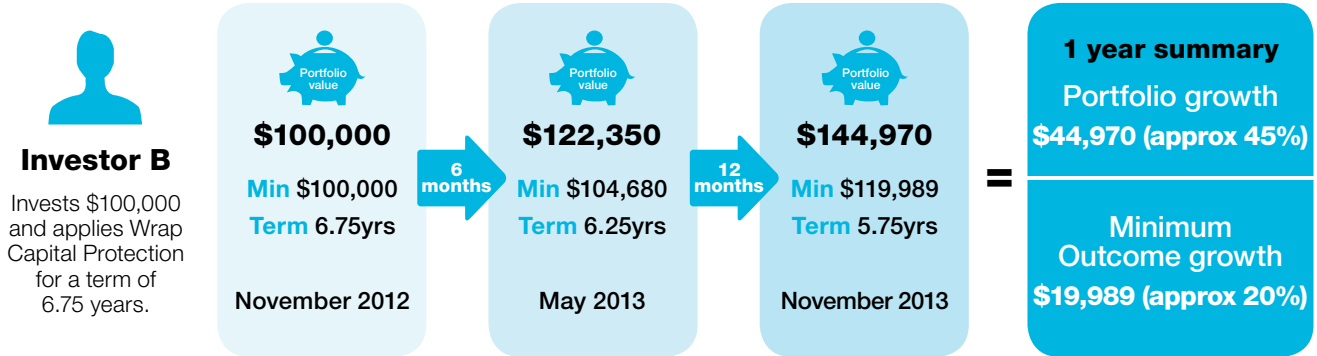


[^] Based on the real experience of an investor in Wrap Capital Protection, amount invested has been changed from the real investment amount for illustrative purposes. Please note that past performance is no reliable indicator of future performance. Amount covered by Wrap Capital Protection – \$100,000, Underlying managed fund – High Growth Multi-Manager fund, Maturity date – 2021, Reporting period – November 2012 to November 2013. There is no allocation to the BT Capital Protection Fund for the period shown in the chart. Please refer to the Product Disclosure Statement for information about allocations to the BT Capital Protection Fund.



b. Managing growth when cash rates are low

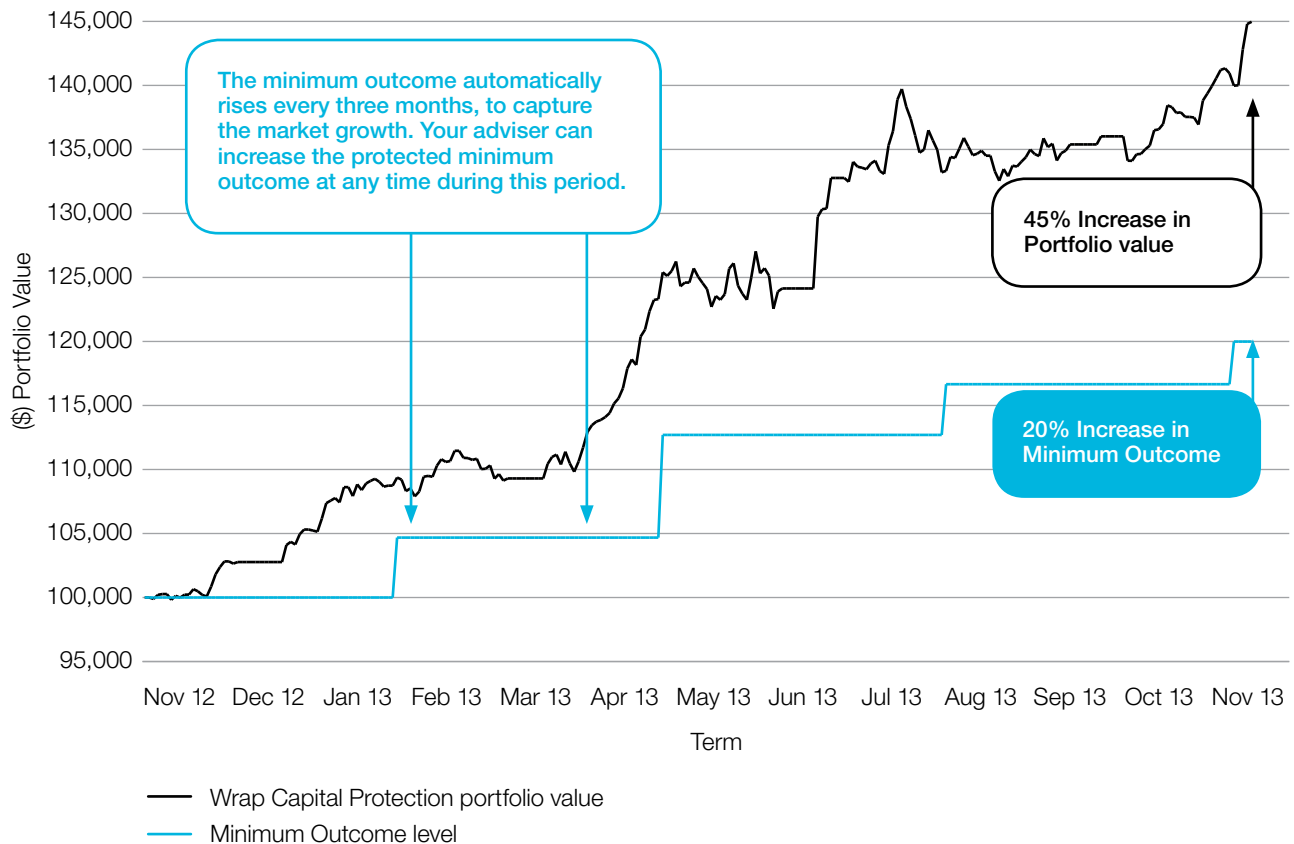
As cash rates fall Investor 'B' decides to invest for growth. Wrap Capital Protection provides an alternative way to assist in managing the increased risk associated with investing for growth. In the example below Investor 'B' protected an investment in international equities of \$100,000 in November 2012* and the growth in the minimum outcome occurs automatically every 3 months.



Key: **Min** Minimum outcome **Term** length of protection term chosen

Note: In this instance the adviser has chosen to leave the minimum outcome grow at the automatic growth capture rate. At the next review the adviser could choose to increase the minimum outcome to capture the portfolio growth.

The below chart details what happens to Investor B's investment for the 12 months to November 2013[^]

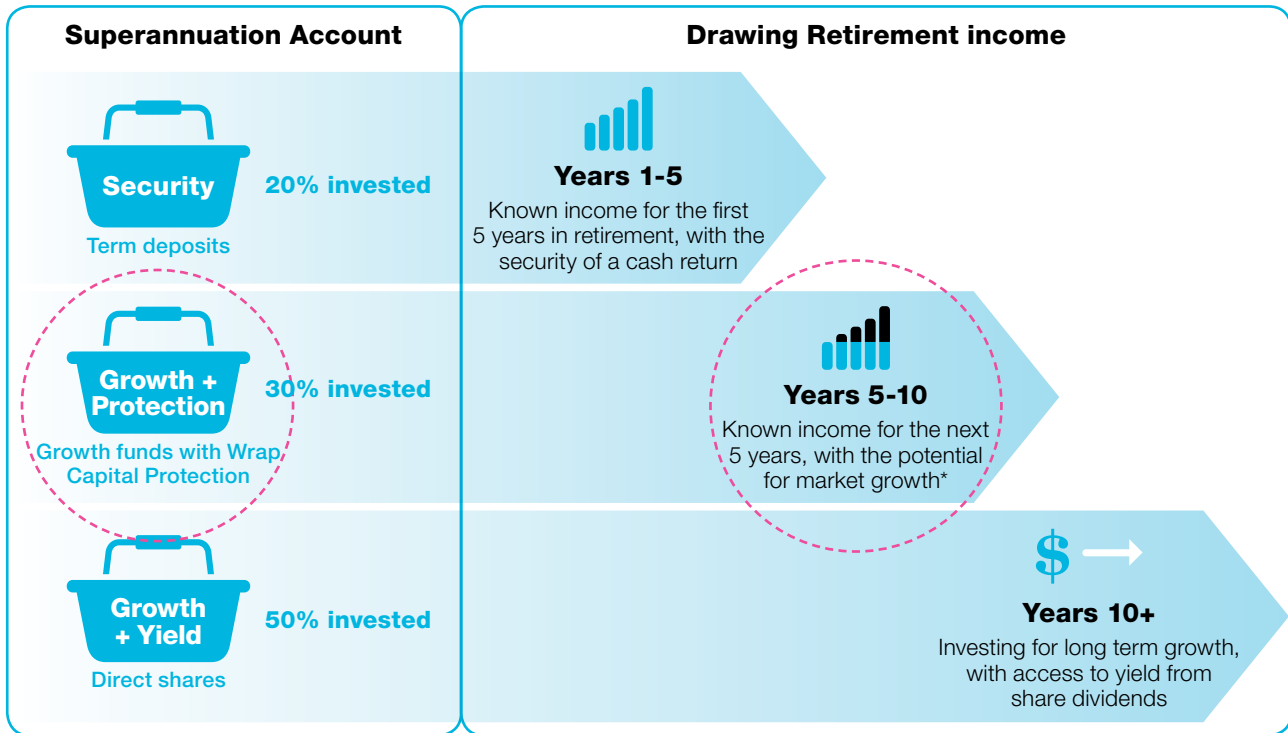


[^] Based on the real experience of an investor in Wrap Capital Protection, amount invested has been changed from the real investment amount for illustrative purposes. Please note past performance is not a reliable indication of future performance. Amount covered by Wrap Capital Protection – \$100,000, Underlying managed fund – international equities index fund, Maturity date – 2019, Reporting period – November 2012 to November 2013. There is no allocation to the BT Capital Protection Fund for the period shown in the chart. Please refer to the Product Disclosure Statement for information about allocations to the BT Capital Protection Fund.



c. Setting an income plan for retirement

In this example, we demonstrate how a number of investors have organised their retirement or pension portfolio. The diagram below shows how the portfolio has been organised into three 'buckets'. The amount allocated to each bucket will depend on the risk appetite, income needs and size of nest egg for each person – something which your financial adviser is ideally placed to help with. Wrap Capital Protection is used for the 'middle bucket', aiming to provide growth for your nest egg as well as protection for your income in 5-10 years time.



*Assumes Wrap Capital Protection is held to the maturity date. The black bars demonstrate the potential for market growth. The value of the Wrap Capital Protection portfolio and the minimum outcome is reported daily, based on current unit prices. If an investor leaves before the maturity date, then the investor will receive their portfolio value which could be greater or less than the minimum outcome.

As everyone's investment experience is unique, having a solution that can be tailored to your savings target, risk appetite and retirement timeline delivers a powerful way to take control of your retirement.

Speak to your financial adviser about personalising your plan for retirement with Wrap Capital Protection today.

Wrap Capital Protection terminology – explanatory terms used in this flyer

Minimum Outcome

The minimum outcome is the minimum value of your Wrap Capital Protection investment on the last day of your protection term. If your investment rises, then the minimum outcome can rise either automatically or at your discretion. At any time during your protection term, the value of your Wrap Capital Protection investment could be higher or lower than the minimum outcome. The minimum outcome is not a guarantee and you should understand the credit risks relating to the product, as explained in the Product Disclosure Statement.

Wrap Capital Protection portfolio value

Your investment in Wrap Capital Protection will be placed into your chosen investment fund and a BT Capital Protection Fund (generally investing in both, or just one of the funds). The combined value of the two funds is your Wrap Capital Protection value. An allocation to the BT Capital Protection Fund will typically occur over time and may also occur if you experience poor investment performance or if you increase the minimum outcome. Wrap Capital Protection fees are deducted from your Wrap cash account and are also excluded from the performance shown.

For more information



Speak

your financial adviser



Watch the video

Wrap Capital Protection



Super
Investment
Insurance
Advice

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The Fund is available through SuperWrap (including SuperWrap Essentials) which is part of Retirement Wrap ABN 39 827 542 991 and through an investor directed portfolio service known as Wrap (including Wrap Essentials). BT Portfolio Services Limited (ABN 73 095 055 208, AFSL 233715) is the operator and administrator of Wrap and Wrap Essentials and the administrator of SuperWrap and SuperWrap Essentials. BTFM is the trustee and issuer of SuperWrap and SuperWrap Essentials. You should consider the relevant disclosure document, available from your financial adviser, and your objectives, financial situation, needs and whether the relevant financial product is appropriate for you before making a decision whether to acquire or hold an interest in the financial product.

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