

## BT Managed Portfolios Update to Product Disclosure Statement

The information in this notice dated 1 April 2023 updates information contained in the BT Managed Portfolios Product Disclosure Statement Part 1 – General Information dated 25 November 2019, as updated by a Supplementary Product Disclosure Statement dated 14 April 2022 (the “PDS”).

This notice and the PDS is issued by Westpac Financial Services Ltd ABN 20 000 241 127 AFSL 233716, the issuer and Responsible Entity of BT Managed Portfolios.

This notice should be read together with the PDS, which is available through your online account at [bt.com.au/panorama](http://bt.com.au/panorama) or from your adviser. If you have any questions, please discuss them with your adviser or contact us.

### Changes impacting Panorama Super

BT Managed Portfolios can be accessed through Panorama Investments and Panorama Super (including BT Super Invest).

Effective from 1 April 2023, Panorama Super (including BT Super Invest) is no longer a plan within the Retirement Wrap superannuation fund ABN 39 827 542 991. Instead, it is now part of the Asgard Independence Plan – Division 2 superannuation fund ABN 90 194 410 365.

All references in the PDS to Retirement Wrap should be read as a reference to the Asgard Independence Plan – Division 2. Any references to Retirement Wrap’s ABN and USI i.e. ABN 39 827 542 991 and USI 39 827 542 991 002, should be read as a reference to the ABN and USI of Asgard Independence Plan – Division 2 respectively, being ABN 90 194 410 365 and USI 90 194 410 365 011.

### For more information

[bt.com.au/panorama](http://bt.com.au/panorama)

1300 881 716

[support@panorama.com.au](mailto:support@panorama.com.au)

GPO Box 2861 Adelaide SA 5001



#### IMPORTANT INFORMATION

Westpac Financial Services Ltd ABN 20 000 241 127 AFSL 233716 is the responsible entity of BT Managed Portfolios ARSN 604 066 686 (BT MPs) and issuer of interests in BT MPs. The information in this document is factual only and has been prepared without taking account of your objectives, financial situation or needs, so you should consider its appropriateness having regard to these factors before acting on it. A Product Disclosure Statement (PDS) is available for BT MPs and can be obtained by calling BT Panorama on 1300 881 716, or visiting [bt.com.au/panorama](http://bt.com.au/panorama). You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of interests in BT MPs. Apart from any interest investors may have in the BT Cash Management Account or Westpac securities acquired through BT MPs, an investment in BT MPs is not an investment in, deposit with or any other liability of Westpac Banking Corporation ABN 33 007 457 141 (the Bank) or any other company in the Westpac Group. It is subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. The Bank and its related entities do not stand behind or otherwise guarantees the capital value or investment performance of BT MPs.

# BT Managed Portfolios

## Supplementary Product Disclosure Statement

Issued 14 April 2022

This Supplementary Product Disclosure Statement (SPDS) is dated 15 April 2022. It supplements the BT Managed Portfolios Product Disclosure Statement Part 1 – General Information dated 25 November 2019 (PDS) and replaces the Supplementary Product Disclosure Statement dated 1 September 2021.

This SPDS is issued by Westpac Financial Services Limited ABN 20 000 241 127 AFSL 233716, the Responsible Entity of BT Managed Portfolios ARSN 604 066 686 and should be read together with the PDS.

Capitalised terms in this SPDS have the same meaning as given to them in the PDS. To the extent of any inconsistencies, the information in this SPDS prevails over any information previously disclosed to you on the same subject matter.

The purpose of this SPDS is to include in the PDS the following:

- A. minimum cash allocation requirement being lowered from 2% to 1%.
- B. new asset substitution functionality.
- C. updated complaints process.

### A. Minimum cash allocation requirement being lowered from 2% to 1%

**On page 16, replace the first paragraph in the section 'The cash allocation of your selected managed portfolio option' with the following:**

Each managed portfolio option will have a minimum asset allocation to cash investments, which will be used to help cover any fees, duties and trading shortfalls that are payable in connection with your portfolio. This minimum cash allocation will generally be at least 1% of the total value of all assets held in the portfolio. Managed portfolio options may have a cash asset allocation that is higher than this minimum.

**On page 17, replace the first paragraph in the section 'Minimum cash balance' with the following:**

We will aim to maintain a cash holding that is consistent with the cash allocation determined by your selected managed portfolio option (generally at least 1% of the portfolio value). Managed portfolio options may have a higher cash allocation as part of their investment strategies.

**On page 18, replace the second bullet point in the section 'Performance' with the following:**

- differences in the level of the cash allocation, resulting from our requirement that a minimum cash balance of at least 1% be held in each managed portfolio option, and the fact that the actual cash balance will fluctuate due to any income paid into your portfolio or fees payable from your portfolio.

### B. New asset substitution functionality

**On page 18, replace the section 'Asset exclusion preference' with the following:**

#### 'Asset exclusion' preference

Where you have applied 'asset exclusion' preferences on selected underlying asset(s)<sup>1</sup> within your portfolio, three choices are available to you to allocate the asset target of the excluded asset within your portfolio. You can elect to:

1. increase the cash asset target within your portfolio (by the asset target of the excluded asset)
2. pro-rata increase the remaining asset targets within your portfolio
3. substitute the excluded asset with another asset (which can be within your portfolio or not).

<sup>1</sup> Asset exclusions may be able to be applied against individual assets or applied against issuers, meaning all assets listed on the ASX by the selected issuer will be excluded from your selected managed portfolio option.

Where you have elected to exclude more than one asset from your portfolio, you can select different options (1, 2 or 3 as listed above) for each excluded asset. Where this occurs, the allocation to cash under option 1 above will occur first.

Please note that 'asset exclusion' preferences can create differences between the target asset allocations of the managed portfolio option you have selected and the actual asset holdings in your portfolio. This will generally mean that the performance of your portfolio is less likely to reflect the performance of your selected managed portfolio option. For more information, refer to 'Implementation risk' within the 'What are the risks?' section in this document.

### [C. Updated complaints process](#)

**On page 23, replace the section 'How we resolve complaints' with the following:**

## **Feedback and Complaints**

### **Delivering on our service promise**

We're constantly striving to provide the best possible service, and we'll do our best to resolve any concern you have efficiently and fairly.

### **Our commitment to you**

If you're ever unhappy about something we've done – or perhaps not done – please give us the opportunity to put things right.

Our aim is to resolve your complaint within 5 business days, and where possible we will resolve your complaint on the spot. If we need some additional time to get back to you, we will let you know. Should we be unable to resolve your concern at your first point of contact, we will then refer the complaint to our dedicated Customer Managers in our Customer Solutions team.

Our Customer Solutions Customer Managers are here to find a solution for you and will ensure that you're regularly updated about the progress we are making to resolve your complaint.

### **You can contact us**

#### Over the phone

Please call us from anywhere in Australia on 132 135

If you are overseas, please call +612 9155 4070

#### By post

BT

GPO Box 2675

Sydney NSW 2001

#### Online

Using the secure feedback form at <https://secure.bt.com.au/contact-us/contact-form.asp>

For further information go to our website and search 'Feedback and Complaints'.

### **If you are still unhappy**

If you are not satisfied with our response or handling of your complaint, you can contact the external dispute resolution scheme, the Australian Financial Complaints Authority (AFCA).

### **Australian Financial Complaints Authority**

The Australian Financial Complaints Authority (AFCA) provides a free and independent service to resolve complaints by consumers and small businesses about financial firms (e.g., banks), where that complaint falls within AFCA's terms of reference.

The contact details for AFCA are set out below.

Australian Financial Complaints Authority

- Online: [www.afca.org.au](http://www.afca.org.au)
- Email: [info@afca.org.au](mailto:info@afca.org.au)
- Phone: 1800 931 678 (free call)
- Post: Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001

## For more information

[bt.com.au/panorama](http://bt.com.au/panorama) | [enquiry@panorama.com.au](mailto:enquiry@panorama.com.au) | 1300 881 716 | GPO Box 2861 Adelaide SA 5001

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### **Important information**

Westpac Financial Services Ltd ABN 20 000 241 127 AFSL 233716 is the responsible entity of BT Managed Portfolios ARSN 604 066 686 and issuer of interests in BT Managed Portfolios. The information in this document is factual only and has been prepared without taking account of your objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness, having regard to your objective, financial situation and needs. Apart from the interest in the BT Cash Management Account or Westpac securities acquired through BT Managed Portfolios, an investment in BT Managed Portfolios is not an investment in, deposit with or any other liability of Westpac Banking Corporation ABN 33 007 457 141 (the Bank) or any other company in the Westpac Group. It is subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. The Bank and its related entities do not stand behind or otherwise guarantee the capital value or investment performance of BT Managed Portfolios.

# BT Managed Portfolios

Part 1 - General Information

ARSN 604 066 686

25 November 2019

The Product Disclosure Statement (PDS) is issued by

Westpac Financial Services Limited

ABN 20 000 241 127

Australian Financial Services Licence (AFSL) Number 233716

# About the PDS

The PDS should help you to make a decision about whether or not to invest in BT Managed Portfolios ARSN 604 066 686 by:

- giving you a clear overview of BT Managed Portfolios and how it works
- explaining the benefits, features, risks and costs of investing in BT Managed Portfolios
- giving you an understanding of where you can find more information or get help.

The PDS is comprised of 2 parts:

- **Part 1 - General Information (this document).**

Please read this for an overview of BT Managed Portfolios and how it works.

- **Part 2 - Investment Options Booklet.**

Please read this for information about each managed portfolio option offered within BT Managed Portfolios (including their investment strategy, investment objective, investment universe and asset allocation) as well as the fees and charges that apply to these managed portfolio options. Each investment manager, appointed by us, to manage one or more managed

portfolio options within BT Managed Portfolios have an Investment Options Booklet referable to them. For a full list of Investment Options Booklets, please contact your adviser or call us on 1300 881 716.

The PDS contains important information that you should consider before making a decision about BT Managed Portfolios.

### Updated information

These documents may change. If information is not materially adverse, it may be updated by us. These documents and any updated information are available free of charge by logging in to [bt.com.au/panorama](http://bt.com.au/panorama) or in paper copy by calling us on 1300 881 716.

### General advice warning

The information in the PDS is general information only and doesn't take into account your personal objectives, financial situation or needs. You should consider whether the information in the PDS is appropriate for you in light of your objectives, financial situation and needs.

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### Important information

BT Managed Portfolios is a non-unitised registered managed investment scheme. Westpac Financial Services Ltd ABN 20 000 241 127 AFSL Number 233716 (WFSL, we, us, our) issues the interests in and is the Responsible Entity for BT Managed Portfolios. WFSL issues the PDS and is responsible for the operation and management of BT Managed Portfolios, including the investment of assets held through BT Managed Portfolios. WFSL has appointed BT Portfolio Services Ltd ABN 73 095 055 208 AFSL Number 233715 (BTPS) to act as custodian and administrator for BT Managed Portfolios.

WFSL and BTPS are subsidiaries of Westpac Banking Corporation ABN 33 007 457 141 AFSL Number 233714 (Westpac). Apart from your interest in BT Cash Management Account (BT CMA), your investment in BT Managed Portfolios doesn't represent an investment in, deposit with, or any other liability of Westpac or any other member of the Westpac Group. It's subject to investment risk, including possible delays in payment of withdrawal proceeds and loss of income and principal invested. Neither WFSL, Westpac, nor any other company in the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of BT Managed Portfolios or any managed portfolio option.

BTPS and Westpac have given and not withdrawn their consent to be named and to the PDS (including the Investment Options Booklets) containing information referable to them in the form and context in which that information appears. They have not issued or caused the issue of the PDS and are not responsible

for any other statements in the PDS which are not referable to them.

### Eligibility

BT Managed Portfolios can be accessed through Panorama Investments, which is an Investor Directed Portfolio Service operated and administered by BTPS (Panorama Investments) or through Panorama Super (including BT Super Invest), a plan within the Retirement Wrap superannuation fund ABN 39 827 542 991 USI 39 827 542 991 002 (Panorama Super). In the PDS 'Panorama Product' means Panorama Investments or Panorama Super and the terms 'you' and 'your' refer to you as the investor through Panorama Investments or Panorama Super (as the case may be). For more information on investing in BT Managed Portfolios through a Panorama Product, please refer to the relevant disclosure document for your Panorama Product, which is available from your adviser, by contacting the Panorama Support team or at [bt.com.au/panorama](http://bt.com.au/panorama).

You can only invest in BT Managed Portfolios if you have received the PDS in Australia, whether in hard copy or electronically. If you are outside Australia, you should obtain advice about any local restrictions that apply before investing in BT Managed Portfolios and you must appoint an Australian resident attorney to act on your behalf.

### **Your portfolio**

When we refer in the PDS to 'your portfolio', we are referring to the portfolio of assets managed in accordance with a particular managed portfolio option within BT Managed Portfolios. These assets are held by BTPS in its capacity as custodian of BT Managed Portfolios. BTPS (acting in a separate capacity to that of BT Managed Portfolios custodian) will hold your interests in BT Managed Portfolios on your behalf (if you are investing through Panorama Investments) or on behalf of the trustee of Retirement Wrap (if you are investing through Panorama Super). BTPS has appointed a sub-custodian to hold any listed securities in your portfolio.

We will manage your portfolio in accordance with the managed portfolio option you have selected from the available professionally constructed investment strategies (each referred to in the PDS as a 'managed portfolio option'). You may have more than one portfolio if you have selected more than one managed portfolio option. Each managed portfolio option is based on a notional portfolio of assets which forms the basis for the management of your portfolio. WFSL may construct and manage an available managed portfolio option or may appoint other persons (each referred to in the PDS as an 'investment manager') to provide advice on the construction and management of all or part of a managed portfolio option.

Where WFSL manages your portfolio in accordance with a managed portfolio option on which WFSL receives advice from one investment manager, and a subset of the assets in your portfolio is managed in accordance with additional advice provided to WFSL by the same or another investment manager, that subset of assets in your portfolio is referred to as your 'sub-portfolio'.

### **References to cash in the PDS**

References are made in the PDS to your 'transaction account' which is the transaction account that forms part of your Panorama Product. Your transaction account is used to settle your investments into and withdrawals from BT Managed Portfolios. For Panorama Investments, your transaction account is a BT CMA issued by Westpac. For Panorama Super, your transaction account is not a separate bank account and is part of your investment in Panorama Super.

When you invest in BT Managed Portfolios, a portion of the assets in your portfolio will comprise cash investments, referred to in the PDS as the 'cash allocation' of the relevant portfolio. This cash allocation will be subject to a minimum amount which will be held in BT CMA, or any other cash product nominated by us from time to time. Any interest in BT CMA held as part of your portfolio is separate to your transaction account that forms part of your Panorama Product.

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# BT Managed Portfolios explained

BT Managed Portfolios provides you with access to managed portfolio options that are professionally managed. They are designed to remove the need for you to individually research assets or fund managers, monitor your holdings and manually trade assets.

## Investment manager

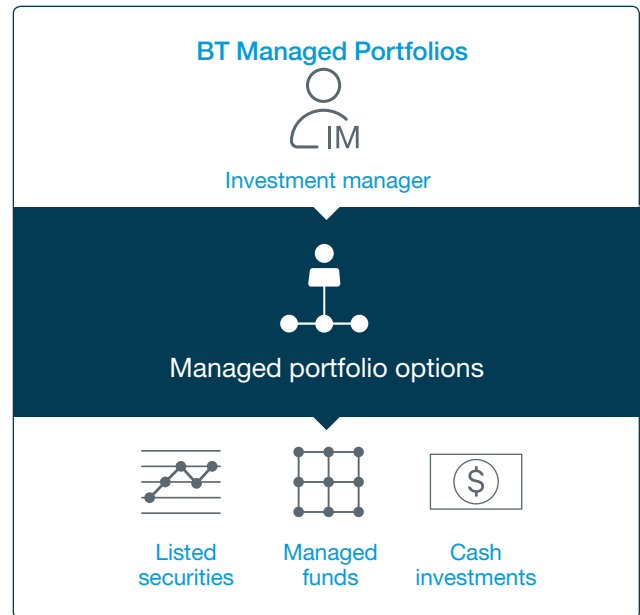
A managed portfolio option may be constructed and managed by us or an appointed investment manager.

## Managed portfolio options

When you invest, your portfolio is managed according to your selected managed portfolio option's investment strategy, objectives, asset targets and level of risk.


## Asset types

Depending on the managed portfolio option selected, you will have access to cash investments, managed funds and/or exchange traded funds (ETFs) and/or listed securities.



## Investing with Panorama

BT Managed Portfolios has been designed to be used with Panorama Products, providing comprehensive and consolidated reporting on the assets in your portfolio, alongside your other investments in Panorama Products all in one convenient place.

 For more information on investing with Panorama Product, refer to the relevant disclosure document for your Panorama Product, which is available from your adviser, by contacting the Panorama Support team or at [bt.com.au/panorama](https://bt.com.au/panorama).



## 1. Establish

### Establish an account in a Panorama Product

- You must have an account in a Panorama Product to invest in BT Managed Portfolios.
- You should read the PDS including the relevant Investment Options Booklet. These documents may be updated or replaced from time to time and you should ensure you read the current version before investing.
- Determine your investment objectives, risk profile, desired investment strategy and establish your account.

For more information on setting up an account in a Panorama Product, please refer to the relevant disclosure document, which is available from your adviser or by contacting the Panorama Support team.



## 2. Select

### Select your managed portfolio option and make your initial investment

- Select one or more managed portfolio options that meet your needs.
- Your initial investment instructions can be provided online to the administrator of the Panorama Product by:
  - making a cash investment in BT Managed Portfolios from available funds in your transaction account
  - where permitted, transferring to us any existing asset you hold that forms part of your selected managed portfolio option, or
  - a combination of the above.
- The minimum investment amount varies by managed portfolio option and is outlined in the Investment Options Booklets. You can satisfy the minimum by any one of the above three options. The minimum investment amount is both the minimum initial investment amount and the minimum suggested balance for the relevant managed portfolio option.
- Depending on the cash and/or assets you've transferred and the asset targets of your selected managed portfolio option, we may need to rebalance your portfolio and this may involve selling down some or all of the assets transferred.
- Online instructions can be provided to the administrator of the Panorama Products if there are any specific assets you wish to exclude from your portfolio, as well as your instructions for re-allocating the value of the excluded assets to cash or across the other assets in your portfolio.

For more information on:

- transferring assets into your portfolio as well as excluding specific assets from your portfolio, refer to the 'How BT Managed Portfolios works' section of this document.
- the managed portfolio options available to you and the minimum investment amounts, refer to the Investment Options Booklets.



## 3. Monitor

### Monitor your portfolio

- View your portfolio and access consolidated reporting on your assets by logging in to [bt.com.au/panorama](https://bt.com.au/panorama).
- We aim to make sure your portfolio reflects your chosen managed portfolio option as closely as possible through our rebalance process.
- Income received in connection with the assets held in your portfolio will form part of the cash allocation of your portfolio, and will then be subject to the rebalance process.
- Investment and withdrawal requests can be submitted online.

For more information on monitoring your portfolio, refer to the 'How BT Managed Portfolios works' section of this document.

# Key benefits and features

BT Managed Portfolios provides you with a single point of access to a range of investments. It makes it easier to see where you are invested, without the time commitment of day-to-day trading and administration.

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<b>Access</b> <b>Access to investment expertise</b>	<ul style="list-style-type: none"><li>– Our managed portfolio options give you choice so that you can select a managed portfolio option to best suit your investment objectives, risk tolerance and your needs.</li><li>– A managed portfolio option may be managed by us or an investment manager selected by us for their investment expertise and experience. They apply a disciplined and consistent investment process with the aim to deliver on stated objectives for your chosen managed portfolio option.</li></ul>
<b>Monitor</b> <b>Ongoing monitoring and management</b>	<ul style="list-style-type: none"><li>– We and any investment managers we select will monitor and manage a managed portfolio option.</li><li>– We will monitor your portfolio to keep it aligned as closely as possible to the managed portfolio option you have selected, including any 'asset exclusion' preferences you may have applied.</li></ul>
<b>Transparency</b> <b>Know where you're invested</b>	<ul style="list-style-type: none"><li>– You have visibility of assets in your portfolio – you can view the quantity and value of assets held in your portfolio by logging in to <a href="https://bt.com.au/panorama">bt.com.au/panorama</a> as though you were investing in those assets directly.</li><li>– You can see how your investments are managed and what investment decisions are implemented on your behalf.</li></ul>
<b>Tax efficiency</b> <b>Segregated tax position</b>	<ul style="list-style-type: none"><li>– A new portfolio of investments is established for you for each managed portfolio option you select. This means that your portfolio is separate to all other investors' portfolios and you are not impacted by the actions of other investors investing in or withdrawing from BT Managed Portfolios.</li><li>– If you're investing through Panorama Investments, you may have the tax benefits of direct ownership of listed securities if you're holding them in your portfolio.</li><li>– You receive any tax concessions (including franking credits) where applicable on your listed securities.</li></ul>
<b>Portability</b> <b>Transfer of underlying assets</b>	<ul style="list-style-type: none"><li>– You can transfer assets into/out of a managed portfolio option from/to your Panorama Product and also between managed portfolio options (subject to certain restrictions). The ability to transfer assets can help reduce trading costs and minimise capital gains tax liability.</li></ul>
<b>Simplicity</b> <b>Making it easier for you</b>	<ul style="list-style-type: none"><li>– We transact, manage and administer the assets that make up your portfolio – reducing the administration burden for you.</li><li>– We provide up to date information on each managed portfolio option, outlining key details such as performance information, so that you can stay informed.</li></ul>
<b>Set preferences</b> <b>Tailor your portfolio</b>	<ul style="list-style-type: none"><li>– BT Managed Portfolios gives you the ability to set preferences relating to the assets held in your portfolio. You (or your adviser) can submit 'asset exclusion' preferences which means you can choose to exclude one or more assets from being held in your portfolio (for example, to align with ethical considerations or other investment requirements you may have).</li><li>– Income received in connection with the assets held in your portfolio is paid into the cash allocation of your portfolio (in which case it will be rebalanced in accordance with the managed portfolio option you have selected). However, you can choose to withdraw this income from BT Managed Portfolios and have it transferred into the transaction account forming part of your Panorama Product.</li></ul>

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# Investing with BT Managed Portfolios

The managed portfolio options may vary in their investment strategies, objectives and asset allocations, and may include listed securities and/or managed funds. You can select a managed portfolio option that best suits your investment objectives, and the level of risk you are comfortable with.

## Choice of managed portfolio options

BT Managed Portfolios provides you with access to a range of managed portfolio options which may include assets such as listed securities and managed funds, removing the need for you to individually research assets or fund managers, monitor your holdings and manually trade your portfolio of assets.

The managed portfolio options have different investment objectives, strategies, styles and risk/return profiles – giving you the flexibility to select one or more managed portfolio options that best suit your needs. Refer to the Investment Options Booklets for information on the managed portfolio options offered within BT Managed Portfolios.

## Portfolio management

Each managed portfolio option (and sub-portfolio, if applicable) is managed either by us or an investment manager who makes investment decisions within approved managed portfolio guidelines with the aim to achieve the stated objective of the relevant managed portfolio option (or sub-portfolio). The guidelines as well as the investment strategies for each managed portfolio option are outlined in the Investment Options Booklets.

We and/or the investment manager will align your portfolio as closely as possible with the investment strategy and asset targets of your selected managed portfolio option – monitoring cash flows, trading on your behalf, and making decisions in relation to corporate actions. Income from the assets in your portfolio will be paid into the cash allocation of the relevant managed portfolio option. Your portfolio may then be rebalanced to align it as closely as possible to the asset targets of your selected managed portfolio option.

Neither we, nor any investment manager, takes into account your individual tax situation when making investment decisions and/or changes to the managed portfolio options (or sub-portfolios) available. Buying and selling assets may result in you incurring income tax or a capital gains tax (CGT) liability. For more information, please refer to the 'Taxation' section in this document.

## Understanding the managed portfolio options available within BT Managed Portfolios

Investment strategy, approach and objectives are the key themes that describe why the managed portfolio option has been constructed and how the option is being managed by us or the investment manager. These factors guide our approach and the approach of the relevant investment manager and provide

investors with an insight into what they can expect when they select the managed portfolio option.

To make it easier for you to select the managed portfolio option(s) that meet your financial needs, we categorise managed portfolio options based on:

- whether they invest in a single asset class (also referred to as single sector portfolios) or across various asset classes (referred to as diversified portfolios)
- their investment styles which may be focused on aligning the performance of the portfolio with that of a market index or actively targeting outperformance of an index, and
- their level of risk as per the Standard Risk Measure (SRM).

These categories (which are described below) are captured for each managed portfolio option in the Investment Options Booklets.

### Asset classes

In the investing world, assets typically include shares, property, fixed interest and cash, usually differentiated by domestic (Australian) or international exposure. An asset class is a way of categorising investments that exhibit similar characteristics across investment markets. Each group of investments within a single asset class are expected to:

- have similar attributes like risks and returns
- be subject to similar laws and regulations
- perform in a similar fashion during particular market conditions.

### Cash

Cash investments are held in cash securities such as term deposits, bank bills, promissory notes and other floating rate notes, as well as some shorter term fixed rate securities and instruments. Investing in cash provides a high level of security and a lower level of risk. It can be used by the more conservative investor or those with shorter investment timeframes.

### Australian fixed interest

This asset class may suit investors seeking an income paying asset that offers relatively defensive characteristics in the form of lower levels of volatility than shares. Fixed interest securities typically provide a regular income stream in the form of interest and coupon payments. Fixed interest securities can generate a change in capital value, or a loss, if interest rates fluctuate. In general, a rise in interest rates causes the value of a fixed interest security to fall, while a fall in interest rates causes the value of a

## Investing with BT Managed Portfolios

fixed interest security to rise. Fixed interest investing also carries the risk that an issuer may default.

A credit rating is an evaluation of the credit risk of the debtor's (bond issuer) ability to pay back the debt and meet interest payments and the likelihood of default. Highly rated government and corporate bonds, which are less likely to default, generally deliver a lower rate of return than the relatively lower rated government and corporate bonds, which provide a higher rate of return.

Inflation risk also exists for fixed income securities given the typically fixed nature of the interest payments.

### International fixed interest

International fixed interest securities and instruments provide access to government and corporate bonds from different countries and regions. This can provide opportunities to access a more diverse fixed interest market than only investing in Australian fixed interest. In addition to the risks highlighted in Australian fixed interest, international fixed interest has potential additional risks such as:

- social, macroeconomic or geopolitical factors affecting a country or region
- different tax requirements in the relevant country
- currency movements
- foreign central bank policy.

Typically any risk from currency movements is hedged out of the international fixed income exposure by the asset manager in order to remove this risk.

### Fixed interest other

This asset class (also referred to as diversified fixed interest) may suit investors seeking mainly income returns that are above inflation and cash through exposure to global fixed interest securities and may include exposure to the high yield and emerging market sectors. It may suit investors who want to maintain the value of their investment over the medium term and accept that returns over the short term will fluctuate and may even be negative.

### Australian shares

When you buy shares (also known as equities) you buy part ownership of a company. Listed shares can be bought and sold on an exchange such as the Australian Securities Exchange (ASX). Through Australian shares, you can hold an ownership stake in local and international businesses across a wide range of industries. Widely considered a growth asset, meaning they offer potentially higher returns than other more defensive asset classes, they also bring higher risk of potential losses.

### International shares

This asset class may suit investors seeking growth in the value of their investments primarily through exposure to shares from around the world, although some funds may have exposure to Australian shares. Portfolios may have a specific focus such as

smaller companies or employ internal leverage. This asset class may suit investors who are seeking to invest in international share markets through a managed investment vehicle and who accept that returns over the short term will fluctuate and may even be negative. Global share funds which are not fully currency hedged may also be exposed to fluctuations in exchange rates.

### Australian property

This asset class may suit investors seeking exposure to domestic real estate, often considered a growth asset with the potential for both capital and income returns. The Australian property asset class allows investors to effectively own a small percentage of a domestic residential, commercial or industrial property.

The majority of investments classified as Australian property gain exposure to sectors of the domestic real estate market through listed vehicles (such as real estate investment trusts) that are relatively easy to buy and sell on the ASX. Some investments classified as Australian property may gain exposure to domestic property by direct acquisition and ongoing ownership of property assets.

### International property

This asset class may suit investors seeking exposure to international real estate, often considered a growth asset with the potential for both capital and income returns. The international property asset class allows investors to effectively own a small percentage of a foreign residential, commercial or industrial property.

The majority of investments classified as international property gain exposure to sectors of the foreign real estate market through listed investment vehicles (such as real estate investment trusts) that are relatively easy to buy and sell on share markets. Some investments classified as international property may gain exposure to foreign property by direct acquisition and ongoing ownership of property assets.

### Infrastructure

This asset class may suit investors seeking exposure to domestic and international infrastructure, often considered a growth asset with the potential for both capital and income returns. The infrastructure asset class allows investors to effectively own a small percentage of a domestic or foreign infrastructure asset such as a road, port, railway or pipeline.

The majority of investments classified as infrastructure gain exposure to domestic and foreign infrastructure through publicly traded infrastructure shares that are relatively easy to buy and sell on share markets. Some investments classified as infrastructure may gain exposure to infrastructure by direct acquisition and ongoing ownership of infrastructure assets.

### Alternative investments

This asset class may suit investors seeking returns that are uncorrelated to the direction of the share and bond markets. This asset class may not be managed to track a specific index, such as an equity or fixed interest benchmark. It may invest in both physical securities and derivatives and may use leverage

with a clear goal to deliver an absolute return to investors. It also may be diversified across a number of different alternative sectors. There is a risk that returns over the short term will fluctuate and may even be negative.

### An important note about investments

Each managed portfolio option is a notional portfolio of assets. A reference in the PDS to a managed portfolio option investing in a specific asset or asset class includes all types of investments which give exposure to that asset and the related asset class, directly or indirectly. This includes investments through other funds (including funds managed by Westpac Group entities) and any type of investment which would ordinarily be understood in financial markets to be included in that class. For example, investment in 'Australian shares' includes investment in any shares, units or other securities listed on an Australian exchange or issued or guaranteed by an Australian entity, or a managed fund that has a strategy of investing in Australian shares. A statement that a managed portfolio option invests in a particular class of asset does not preclude investment strategies which provide exposure to other types of assets where we consider it appropriate to do so in the best interests of investors.

### Diversified portfolios

To avoid the risk of having 'all your eggs in one basket', investment professionals developed the concept of allocating investments over a number of asset classes like shares, property, fixed interest and cash. With a diversified portfolio, losses in one asset class could potentially be offset by gains within another. By diversifying, you can manage some of your exposure to investment and market risk.

Diversified portfolios differ when it comes to their risk profiles. Generally, diversified portfolios with a higher allocation to growth asset classes (such as Australian shares, property and international shares) as opposed to defensive asset classes (such as cash and fixed interest securities) as well as longer investment time frames have a higher risk level than diversified portfolios with a higher allocation to defensive asset classes and shorter investment time frames (ie one to three years).



For more information on asset specific risks, please refer to 'Investment Risks' in the 'What are the risks?' section of this document.

### Investment styles

The style of a managed portfolio option represents a certain bias in the asset selection process applied by the investment manager through their portfolio construction process. It aims to set expectations around specific market exposure, representing the focus driving the investment decisions for each portfolio.

### Index

A portfolio of assets structured so that its value and performance closely follows an index or a combination of indices. Portfolios managed according to this strategy have investment managers

that seek to generate a return, before fees, that is almost the same as the index (or indices) it is tracking.

### Active

Portfolios managed according to this strategy have investment managers that seek to regularly outperform a specific index before fees, over the minimum investment horizon. The investment manager seeks to achieve this through the recognition, anticipation, and exploitation of short-term investment trends, one of which may be asset value differences relative to the value their research indicates.

### Standard Risk Measure

In the Investment Options Booklets, a Standard Risk Measure (SRM) is assigned to each managed portfolio option under the heading 'Risk label'.

The SRM is based on industry guidance, and allows investors to compare managed portfolio options that are expected to deliver a similar number of negative annual returns over any 20 year period.

Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

As shown in the above table, a risk band of 1 would suggest that the investment is the least risky investment, and a risk band of 7 suggests a very risky investment.

The SRM is not a complete assessment of all forms of investment risk. For example, it does not detail the size of a potential negative return or the potential that a positive return may be less than an investor may require to meet their objectives. Furthermore, it does not take into account the impact of fees and tax on the likelihood of a negative return.

You should ensure you are comfortable with the risks and potential losses associated with your chosen managed portfolio option.

### Managed portfolio options with sub-portfolios

Some managed portfolio options may include one or more sub-portfolio(s) of assets (selected for you) that are separately advised by the relevant investment manager. You can view the underlying assets of your portfolio, including those that are held in your sub-portfolio.

The description of the managed portfolio option in the Investment Options Booklet will indicate if a subset of the assets of a particular managed portfolio option may constitute a sub-portfolio.

Different fees and costs may apply to managed portfolio options that have one or more sub-portfolio(s). For more information, refer to the 'What are the fees and other costs?' section of the relevant Investment Options Booklet.

### Changes to or termination of managed portfolio options

The managed portfolio options and the characteristics of a managed portfolio option (such as their investment strategy, assets held and investment manager) may change from time to time. For the latest information and the list of managed portfolio options offered within BT Managed Portfolios, please refer to the Investment Options Booklets which are available from your adviser or by contacting us.

If a managed portfolio option that you have invested in is discontinued, we will contact you.

### Labour standards or environmental, social or ethical considerations

Where we, or any investment manager constructing and managing each managed portfolio option, have taken into account labour standards or environmental, social or ethical considerations as part of the selection, construction, monitoring and management of the managed portfolio option, this will be specified in the relevant Investment Options Booklet. Unless specified, those factors are not taken into account.



For more information on the managed portfolio options offered within BT Managed Portfolios, please refer to the Investment Options Booklets which are available from your adviser or by contacting us.



# What are the risks?

You must consider the risks associated with BT Managed Portfolios to assess whether the potential returns justify those risks. Tailor your investment strategy to find the balance between your risk tolerance, desired level of return, investment objectives and personal goals.

## Risks generally

All investments carry risks. Risk can be managed but can't be completely eliminated. It's important to understand that:

- the value of investments will go up and down
- past performance isn't an indicator of future performance
- investment returns will vary and future returns may be different from past returns
- returns are not guaranteed and there is always the chance you may lose money on an investment
- laws affecting your investment in a managed investment scheme may change over time.

The level of risk that is appropriate for you will depend on a range of factors including your age, investment time frame, where other parts of your wealth are invested and your risk tolerance (how comfortable you are with fluctuations in the value of your investment over your investment timeframe). If you would like to know more about the risks of investing, or to discuss your personal risk tolerance, you should consult a licensed financial adviser.

## Risks of using BT Managed Portfolios

<b>Operational risk</b>	<p>The risk that administration, computer and supporting systems may not always work as they should. BT Managed Portfolios (including the rebalance process) rely upon the integrity of our systems to operate effectively. However, there is a risk that these systems may not be available or operate effectively in certain circumstances.</p> <p>We take risk management seriously, and have procedures in place that are designed to reduce the risk of systems not working effectively and to respond promptly should problems arise. However, you should be aware that not all of these risks can be foreseen.</p>
<b>Investment manager risk</b>	<p>The risk that the investment manager will not achieve the performance objectives relating to a managed portfolio option (or sub-portfolio, if applicable) or not produce returns that compare favourably against its benchmark. Many factors can negatively impact an investment manager's ability to generate acceptable returns from their investment management processes, including loss of key staff.</p> <p>Similar risks also affect any managed funds, exchange traded funds, listed investment companies or listed investment trusts that may be held in your portfolio.</p>
<b>Managed portfolio option risks</b>	<p>The likely rate of return and the risk of losing money generally differ in respect of each managed portfolio option. Different strategies carry different levels of risk depending on the mix of assets. Each managed portfolio option therefore may or may not be appropriate for your individual circumstances.</p> <p>No matter how skilled the investment manager or how strong the performance of the managed portfolio option, there is always a chance you could receive back less than you invested in your portfolio. The future performance of any specific managed portfolio option offered through BT Managed Portfolios (and therefore your portfolio) is not guaranteed. Investment returns are volatile and past performance is not indicative of future performance. You may lose money no matter which managed portfolio option you select.</p>
<b>Liquidity risk</b>	<p>The risk that assets in your portfolio may not be able to be sold or redeemed quickly enough to meet immediate withdrawal requests, or that a security can't be traded quickly enough without affecting its price.</p>



## What are the risks?

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<b>Implementation risk</b>	<p>There is a risk that the actual asset holdings in your portfolio will differ from the asset targets (ie notional holdings) specified by the relevant investment manager, which can cause the performance of your portfolio to diverge from that of your chosen portfolio. This can be due to factors such as:</p> <ul style="list-style-type: none"><li>– the application of minimum transaction size limits and the rounding of transactions to whole units</li><li>– differences in timing and prices achieved for trades</li><li>– ‘asset exclusion’ preferences that you may have applied to your portfolio, and</li><li>– illiquid assets.</li></ul> <p>Implementation risk is further magnified if the value of your portfolio falls below the minimum investment amount specified for the managed portfolio option you have selected. The smaller your portfolio holding is as compared to the minimum investment amount, the greater the implementation risk becomes, especially if your portfolio includes exchange traded funds or listed securities.</p> <p>For more information, see ‘Performance’ in the ‘How BT Managed Portfolios works’ section in this document.</p>
<b>Counterparty risk</b>	<p>The risk of loss due to a counterparty (such as the broker, ETF issuer or market maker) not honouring a financial or contractual commitment. Such failures can impact adversely on the implementation of investment strategies and result in them not realising returns which would otherwise have been achieved.</p>
<b>Taxation and regulatory risk</b>	<p>The risk that changes to tax laws, industry regulation and other legislation could adversely affect the value of assets within your portfolio, either directly or indirectly.</p> <p>Australian taxation law is complex and its impact on you in relation to BT Managed Portfolios may vary according to your personal circumstances. Further, tax law and practice may vary over time, possibly with retrospective application. The tax considerations summarised in the ‘Taxation’ section of this document provide a general guide to the relevant tax implications associated with BT Managed Portfolios. You should seek your own professional taxation advice in relation to your investment.</p>
<b>Scheme risks</b>	<p>The risk that we may make changes to, suspend or discontinue a particular managed portfolio option or to the BT Managed Portfolios scheme at any time, which can include:</p> <ul style="list-style-type: none"><li>– closing or terminating BT Managed Portfolios or an interest in BT Managed Portfolios, or</li><li>– changing the managed portfolio option’s objectives, investment strategy or asset allocation.</li></ul>

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### Investment risks

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<b>Market risk</b>	<p>The risk that market factors can influence the direction and volatility of an overall market as opposed to security specific risks. These factors can be specific to one country or affect a number of countries. Macroeconomic, technological, geopolitical or regulatory conditions and even market sentiment changes can mean the value of investment markets change. These factors include shocks to an economy, such as fluctuating commodity prices, terrorist threats, political elections, environmental catastrophes, or changes to monetary or fiscal policy. Market risk may have different impacts on each investment and investment style. It may mean that the value of your investment falls or that your assets cannot be readily sold.</p>
<b>Currency risk</b>	<p>If a managed portfolio option has exposure to international assets, currency fluctuations may negatively impact investment values or returns.</p>

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## What are the risks?

### Asset class risk

This is the risk associated with a particular asset class as outlined in the 'Investing with BT Managed Portfolios' section of this document.

Generally those investments with the potential for the highest return may also be more volatile than other investments and as a result may have the highest risk of losing money. The potential risks associated with each asset class are outlined below:

Asset class	Risks
Cash	Cash can produce more stable investment returns when compared to other asset classes, but has limited scope to generate higher long-term returns relative to other asset classes. There is also a risk that cash returns don't keep pace with inflation.
Australian fixed interest	<p>Fixed interest securities and instruments can generate changes in capital values, including losses, if interest rates fluctuate during their term. In general, a rise in interest rates causes the value of an existing security to fall, while a fall in interest rates causes the value of an existing security to rise. An investment in fixed interest securities and instruments also carries the risk that the issuer may default - this is called credit risk.</p> <p>Typically fixed interest securities have a credit rating which is an evaluation of the credit risk of the debtor's (bond issuer) ability to pay back the debt and meet interest payments and the likelihood of default. Highly rated government and corporate bonds, which are less likely to default, generally deliver a lower rate of return than the relatively lower rated government and corporate bonds, which provide a higher rate of return.</p> <p>Inflation risk also exists for fixed income securities given the typically fixed nature of the interest payments.</p>
International fixed interest	<p>In addition to the risks of Australian fixed interest securities outlined above, international fixed interest securities can be affected by:</p> <ul style="list-style-type: none"> <li>— social, macroeconomic or geopolitical factors affecting a country or region</li> <li>— different tax requirements in the relevant country</li> <li>— currency movements</li> <li>— foreign central bank policy.</li> </ul>
Fixed interest other (diversified fixed interest)	Refer to the risks outlined above for Australian fixed interest and international fixed interest securities.
Australian shares	<p>Shares are generally classified as more volatile (risky) than other asset classes because their value tends to fluctuate over the short term. However, over the longer term, they have tended to perform better than other asset classes.</p> <p>The specific risks of investing in shares include the company or the industry in which it operates, may not perform as well as expected or that there may be adverse changes in a company's financial position. Typically share investors are most exposed to capital loss due to the poor performance of a company.</p>
International shares	<p>In addition to the risks of Australian shares outlined above, international shares can be affected by:</p> <ul style="list-style-type: none"> <li>— social, macroeconomic or geopolitical factors affecting the country or region</li> <li>— currency movements</li> </ul>

## What are the risks?

	<ul style="list-style-type: none"> <li>— different tax requirements in the relevant country</li> <li>— foreign regulatory requirements.</li> </ul>
Australian property International property Infrastructure	<p>The value of property and infrastructure assets/securities can rise and fall.</p> <p>Returns from property and infrastructure securities are also affected by fluctuations in the supply and demand (for example, supply and demand for properties and rental space and usage of toll roads and bridges to pay for the cost of their construction).</p> <p>Increasing interest rates can decrease the value of property and infrastructure securities in the short term and vice versa. In addition to the risks already noted relating to property and infrastructure securities, international property and infrastructure securities can be affected by the factors identified above for international shares.</p>
Alternative investments	<p>Alternative investments is a category that includes a range of sophisticated investments including hedge funds, venture capital, private equity, leveraged and management buyouts, commodities and futures trading funds. Alternative investments are subject to certain risks that may include periods of large market falls, high volatility or reduced liquidity.</p>
<b>Interest rate risk</b>	<p>The risk that security prices (future returns) may be adversely impacted by changes in interest rates. For example, this could be due to a change in the absolute level of interest rates, the spread between two interest rates, the shape of the yield curve, or in any other interest rate relationship.</p>
<b>International asset risk</b>	<p>International assets may be affected by movements in currency exchange rates, interest rates, political and economic uncertainties, lower regulatory supervision and more volatile, less liquid markets compared with Australian investments.</p>
<b>Credit risk</b>	<p>This is the risk of an issuing entity defaulting on its obligation to pay interest and principal when due. It arises primarily from investments in fixed interest securities and from certain derivatives.</p>
<b>Derivative risk</b>	<p>A managed fund held within a managed portfolio option may use derivatives (such as futures) to gain exposure to investment markets. Risks associated with derivatives include the value of the derivatives failing to move in line with the underlying asset, issues associated with the management of the assets backing a derivative so the managed fund may not be able to meet payment obligations as they arise, and counterparty risk in the case of over-the-counter derivatives where no clearing house acts as an intermediary party (where the counterparty to the derivative contract cannot meet its obligations under the contract). Direct exposure to derivative instruments is not permitted within BT Managed Portfolios.</p>
<b>Emerging markets risk</b>	<p>A managed fund held within a managed portfolio option may make investments that provide exposure to emerging markets. Emerging markets are generally considered riskier than developed markets due to factors such as lower liquidity, the potential for political unrest, the increased likelihood of sovereign intervention (including default and currency intervention), currency volatility and increased legal risk. Emerging market investments therefore may experience increased asset price volatility and face higher currency, default and liquidity risk.</p>

# How BT Managed Portfolios works

This section provides information about:

- how you can invest in BT Managed Portfolios
- how BT Managed Portfolios operate, and
- how you can withdraw.

Where you have set up your account in a Panorama Product with an adviser as the primary authorised user, references to placing requests online will mean an adviser does this on your behalf.

If you cease to have an adviser there may be consequences including that the managed portfolio options available to you may change.

If you hold a BT Super Invest account, some of the online functionalities described in this section (for example, intra account transfers) may not be available to you. For more information, please contact the Panorama Support team.

## How to invest

Investment instructions relating to BT Managed Portfolios can be provided to us online.

### Initial investment

Your initial investment instructions (relating to a managed portfolio option) can include:

- transferring cash from available funds in your transaction account
- transferring assets you hold in your Panorama Product into your selected managed portfolio option, or
- a combination of the above.

For further information regarding making investments through a Panorama Product, refer to the relevant disclosure document for your Panorama Product, which is available from your financial adviser or by contacting the Panorama Support team.

### Transferring assets into your portfolio

You may transfer any managed funds or listed securities that you currently hold through your Panorama Product into your portfolio. Your adviser can submit this instruction to us online using the 'Intra account transfers' functionality.

When assets are transferred into your portfolio, we may need to sell some of the assets (and acquire others) as part of the rebalance process, so that your portfolio is as closely aligned to the asset targets of your selected managed portfolio option as possible. This may result in the realisation of taxable capital gains/losses. See the 'Taxation' section of this document for more information.

Government duty may be payable on certain asset transfers. Where applicable, government duty will be deducted from your transaction account.

### Minimum investment amount

Every managed portfolio option has a minimum investment amount as disclosed in the Investment Options Booklets. This minimum investment amount is both the minimum initial investment amount and the minimum suggested balance for the relevant managed portfolio option.

If, due to market movements, partial withdrawals and/or fees deducted from the managed portfolio option, the investment value of your portfolio falls under this minimum investment amount, there is a possibility that your portfolio may deviate from the asset targets for that managed portfolio option. This can impact your portfolio's performance and the investment manager's ability to achieve the stated investment objective. This implementation risk is magnified where:

- your selected managed portfolio option invests in ETFs or listed securities (and you are therefore holding such assets in your portfolio), and
- the investment value of your portfolio is significantly below the minimum investment amount (referred to as a small balance portfolio).

Small balance portfolios can at times hold a higher cash weight than the minimum specified by the investment manager due to the greater impact of minimum transaction size limits and rounding of transactions to whole units (as described above). For more information on the risks surrounding smaller account balance portfolios, refer to 'Risks of using BT Managed Portfolios' in the 'What are the risks?' section in this document.

### Additional investment

To make it easy to add to your portfolio, there is no minimum additional investment amount. However, small investments are likely to be held in the cash allocation of your portfolio until there is enough money available to initiate a rebalance, helping minimise very small transactions. Before making any additional investments, please ensure you have read the latest investment information on your selected managed portfolio option, which will be available by logging in to [bt.com.au/panorama](https://bt.com.au/panorama).

## How BT Managed Portfolios operate

### The cash allocation of your selected managed portfolio option

Each managed portfolio option will have a minimum asset allocation to cash investments, which will be used to help cover any fees, duties and trading shortfalls that are payable in connection with your portfolio. This minimum cash allocation will generally be at least 2% of the total value of all assets held in the portfolio. Managed portfolio options may have a cash asset allocation that is higher than this minimum.

The minimum cash allocation of your portfolio will be held in BT CMA, or any other cash product nominated by us from time to

## How BT Managed Portfolios works

time. Any cash allocation above the minimum may be allocated to other cash products.

The interest rate declared in respect of the minimum cash allocation to BT CMA may be lower than the rate declared in respect of your transaction account (where you invest in BT Managed Portfolios through Panorama Investments).

### Minimum cash balance

We will aim to maintain a cash holding that is consistent with the cash allocation determined by your selected managed portfolio option (generally at least 2% of the portfolio value). Managed portfolio options may have a higher cash allocation as part of their investment strategies.

If the proportion of cash held in your portfolio falls below the cash allocation amount of your selected managed portfolio option (for example, if cash is used to pay fees), we will sell down other assets in your portfolio as part of the rebalance process to return your cash allocation to the relevant level.

At times, the cash allocation of your portfolio may not be sufficient to complete the rebalance process. Therefore, in order to complete the rebalance process, the allocation to cash in your portfolio may be temporarily overdrawn. This may happen, for example, if a sale is not completed due to the asset being temporarily suspended from trading or as a result of significant market volatility. Where this occurs:

- you will be charged interest on the overdrawn amount at the prevailing interest rate that applies to the BT CMA in BT Managed Portfolios (that is, the same rate at which income is earned on positive cash balances in the minimum cash allocation), and
- at the end of the month, the interest charged is offset against income earned on the minimum cash allocation of your portfolio.

While the overdrawn amount will temporarily be funded by a notional loan from all other investors, this will not reduce the income on the BT CMA in BT Managed Portfolios for those investors.

### Rebalancing your portfolio

The assets within your portfolio may be rebalanced to reflect current or revised asset targets. Rebalances may result in all or a portion of assets being sold and/or new or additional assets being bought. These transactions will be reflected in the consolidated reporting available by logging in to [bt.com.au/panorama](http://bt.com.au/panorama).

The rebalance may be triggered by:

- the investment manager

- us, on a periodic basis, where (for example) the cash allocation in the managed portfolio option needs to be topped up or there is excess cash that can be invested, or
- you, if you make one-off or regular additional investments (as part of an automated regular investment plan) or one-off or regular partial withdrawals (as part of a drawdown strategy) from your portfolio.

For more information on the automated regular investment plan and the drawdown strategy, refer to the relevant disclosure document for your Panorama Product, which is available from your financial adviser or by contacting the Panorama Support team.

### Processing transactions

Investment or withdrawal requests can be placed through Panorama online services at any time.

There will be times when your investment and withdrawal requests may not be processed (or processing is delayed), for example if your request is invalid or incomplete, there is a market disruption, there is a freeze on withdrawals, we are prevented by law from processing your request, or if administration and supporting systems are unavailable.

### Processing times

Instructions which are submitted prior to 10am Sydney time on a business day, will generally be included in the rebalance process on the same business day. If they are submitted after 10am Sydney time, they will generally be included in the rebalance process on the following business day. The time it takes to process your request, and the price at which the listed securities or units in a managed fund will be traded, will vary depending on market liquidity and the administration requirements of the fund manager. Unit prices for units in a managed fund are determined by the fund manager and are usually calculated daily in arrears.

### Trading

Minimum trade sizes will apply to transactions as follows:

- the higher of 0.05% of your portfolio or \$10 for rebalances initiated by investments or partial withdrawals.
- the higher of 0.20% of your portfolio or \$50 for all changes to your portfolio as a result of the investment manager changing the asset targets.

At times we may receive corresponding sell and buy orders for the same asset within BT Managed Portfolios. We may offset these transactions internally before execution on market; this is referred to as 'netting'. All trades are processed at the price of the applicable trade for market orders. These netted trades will still incur transaction costs at the same rate as if market orders were required to be placed. We may retain an amount equal to those transaction costs that would have been incurred without netting.

### Distributions/income

All dividends and distributions received from the assets in your portfolio will be paid to the cash allocation of your portfolio. This is generally on an ad hoc basis for listed securities. Managed fund distributions may be paid monthly, quarterly, semi-annually or annually, depending on the distribution frequency of the fund. The cash you receive as income will then be reinvested into the assets of your portfolio as part of the rebalance process in accordance with the asset targets of your selected managed portfolio option.

### Preferences

You can set preferences (at any time) when it comes to income distributions (referred to as income preference) or if you would prefer to exclude certain underlying assets within your portfolio (referred to as 'asset exclusion' preference).

#### Income preference

You can choose to have income paid into the cash allocation of your portfolio and reinvested on your behalf in accordance with the managed portfolio option you have selected or you may choose to have income transferred into your transaction account.

An income preference can be specified for your portfolio as well as your sub-portfolio(s) (if applicable). If an income preference is not specified for your sub-portfolio(s) then the income preference specified for your portfolio will also apply to the assets in your sub-portfolio(s).

#### 'Asset exclusion' preference

Where you have applied 'asset exclusion' preferences on selected underlying asset(s)<sup>1</sup> within your portfolio, two choices are available to you to allocate the asset target of the excluded asset within your portfolio:

1. electing to increase the cash asset target of your portfolio
2. electing to pro-rata increase the remaining asset targets across your selected managed portfolio option.

Where you have elected to exclude more than one asset from the portfolio, you can indicate a mix of options 1 and 2 above. Where this occurs, the allocation to cash under option 1 above will occur first.

Please note that 'asset exclusion' preferences can create differences between the target asset allocations of the managed portfolio option you have selected and the actual asset holdings in your portfolio. This will generally mean that the performance of your portfolio is less likely to reflect the performance of your selected managed portfolio option. For more information, refer to 'Implementation risk' within the 'What are the risks?' section in this document.

### Switching between managed portfolio options

You can switch between managed portfolio options at any time. Your adviser can action this on your behalf by submitting an

'Intra account transfer' instruction online. Please note that the minimum investment amount applies if the switch is requested into a new managed portfolio option. For more information on the minimum investment amount applying to each of the managed portfolio options, please refer to the Investment Options Booklets.

Assets transferred into a managed portfolio option, but not required by that managed portfolio option's weighting, will be sold down. This will result in a disposal of that asset, incur transaction costs and potentially trigger a capital gains tax event that may result in a realised gain or loss. Any assets that are in both your new and previous managed portfolio option will be retained, but may need to be sold down partially or purchased to the level that is consistent with the asset target of your newly selected managed portfolio option. As this may also result in capital gains/losses, we recommend you seek independent tax advice prior to changing your portfolio.

### Performance

There may be differences between the asset targets and performance reported for your selected managed portfolio option and the asset targets and performance of your portfolio, due to factors such as:

- differences in timing of, and prices received or paid for, buy and sell transactions.
- differences in the level of the cash allocation, resulting from our requirement that a minimum cash balance of at least 2% be held in each managed portfolio option, and the fact that the actual cash balance will fluctuate due to any income paid into your portfolio or fees payable from your portfolio.
- slight differences between the asset targets and the actual asset holdings in your portfolio, due to our application of rules on minimum transaction size.
- any 'asset exclusion' preferences you may have applied to your portfolio that create a difference in the asset targets and the actual asset holdings in your portfolio.
- the managed portfolio option has a holding that is under the minimum investment amount. For more information, refer to 'Minimum investment amount' in this section.

### Suspended managed portfolio options

We may suspend a managed portfolio option for one or more of the following reasons:

- there is an issue with the investment manager, which we need to resolve.
- there is an issue with one or more assets within the asset targets of a managed portfolio option, meaning that effective rebalancing can't be performed.

<sup>1</sup> Asset exclusions may be able to be applied against individual assets or applied against issuers, meaning all assets listed on the ASX by the selected issuer will be excluded from your selected managed portfolio option.



## How BT Managed Portfolios works

- there is a significant market event or volatility causing uncertainty in investment markets and asset prices.
- we determine that a suspension is otherwise necessary in complying with our obligations to act in the best interests of investors as a whole.

If the suspended managed portfolio option isn't removed from BT Managed Portfolios, your portfolio may be suspended. Your portfolio will be monitored and managed to the extent possible. However, any investments or withdrawals in relation to your portfolio, may not result in your portfolio being rebalanced, as transactions on assets may not be able to proceed and may be cancelled. As a result, your portfolio may no longer have holdings consistent with the asset targets of your selected managed portfolio option.

### How to withdraw

#### Partial withdrawals

You can withdraw a portion of your portfolio by requesting to either:

- Sell down to cash: instructions can be submitted online, by selling a selected dollar amount from your portfolio
- Transfer assets (if possible or practicable): a partial asset transfer can sometimes be completed out of your portfolio so that some assets of your portfolio are held directly through your account in a Panorama Product. Note that you can only transfer the entire holding of a particular asset out of your account – partial holdings of a particular asset can't be processed. For more information, please refer to 'Asset transfers out of your portfolio' in this section.

In most cases, this will initiate a rebalance of your portfolio. There is no minimum withdrawal amount, however, if the withdrawal amount is between 90% and 100% of the total value of your portfolio this may be treated as a request for a full withdrawal. We will contact you or your adviser to confirm whether you require a full withdrawal. If you are not seeking a full withdrawal you will need to change the withdrawal amount to below 90% before we can process your withdrawal request. This is to ensure we do not oversell your portfolio if market prices fluctuate significantly.

If there are sufficient funds in the cash allocation of your portfolio (over the minimum cash balance), we will try to pay your withdrawal request within one business day. Withdrawal amounts will be paid to your transaction account.

If there are insufficient funds in the cash allocation of your portfolio in excess of the minimum cash balance to process your withdrawal, we will rebalance your portfolio and sell assets to fund your withdrawal and these transactions may result in additional transaction costs. If a rebalance is required, the cash you have requested to withdraw from your portfolio will not be available in your transaction account for at least three business days, as standard settlement times apply on the assets you hold in your portfolio. Delays in selling the assets could occur due

to pricing/transaction limitations imposed on non-daily priced managed funds, illiquidity, market and other factors beyond our control. The withdrawal you have requested may also be partially funded by income (dividends/distributions) that will need to be received before the withdrawal amount is paid to your transaction account, which could further delay the receipt of the withdrawal proceeds by up to 30 days (or longer in some cases).

Assets will generally be sold proportionately across your portfolio, based on the asset targets of your selected managed portfolio option, but this may vary depending on the size of your holdings and other factors. We may sell specified types of securities in some cases where we believe this is more practicable. The proceeds from the assets sold will be paid to you net of any fees, charges and expenses, including transaction costs.

#### Full withdrawal of your portfolio

You can withdraw your entire portfolio by requesting to either:

- sell down to cash: instructions to sell down your portfolio will trigger a rebalancing of your entire portfolio to cash. Upon settlement of the final sale trade, the net cash proceeds will be transferred into your transaction account
- transfer assets (if possible or practicable): a full asset transfer can sometimes be completed out of your portfolio, so that all assets of your portfolio are held directly through your account in a Panorama Product. For more information, please refer to 'Asset transfers out of your portfolio' in this section.

After the final interest payment for the cash allocation is calculated and paid, any outstanding fees are calculated and deducted, then the remaining cash is transferred into your transaction account on the same day if that day is a business day (otherwise it will be paid on the next business day). Any outstanding income that is accrued on your portfolio will be transferred to your transaction account after we receive it. Your portfolio will remain open until all income proceeds are received in the cash allocation of your portfolio and then transferred to your transaction account. For details on how to close your Panorama Product account, refer to the relevant disclosure document which is available from your adviser or by contacting the Panorama Support team.

BT Managed Portfolios has been designed so your portfolio is managed to keep it aligned as closely as possible with your selected managed portfolio option. Where you make a request that is inconsistent with your selected managed portfolio option (for example you request your portfolio not be rebalanced or for individual assets to be sold or purchased), this will be treated as a request for a full withdrawal of your portfolio.

#### Asset transfers out of your portfolio

You can transfer assets out of your portfolio into your Panorama Product by making a full or partial withdrawal. Your adviser can submit this instruction to us online using the 'Intra account transfers' functionality.

## How BT Managed Portfolios works

In some circumstances, you may not be able to transfer assets out of your portfolio if we consider that it is not possible or practicable to do so. For example, asset transfers may not be possible for wholesale managed funds to which retail investors can't apply directly. Similarly, some underlying managed funds are only accessible through BT Managed Portfolios, and therefore units in those funds cannot be transferred out of your portfolio.

Restrictions on transfers out of your portfolio may apply to only some assets in a managed portfolio option or, in some cases, they may apply to all of the underlying assets comprising a managed portfolio option (referred to as 'transfer restrictions'). The relevant Investment Options Booklet notes those managed portfolio options where a significant percentage of the assets comprising the portfolio are subject to transfer restrictions. For further information on the restrictions that may apply to asset transfers in a particular managed portfolio option, please contact your adviser or the Panorama Support team.

### **Invalid transaction requests**

In some cases, your investment, withdrawal and other transaction requests may be invalid for various reasons (for example, a withdrawal may put your portfolio below the minimum required balance). In these cases, your adviser will be notified and your transaction won't be processed until your request is amended and further instruction is received from you or your adviser.



# Taxation

If you're investing through Panorama Investments, BT Managed Portfolios offers you beneficial ownership of the assets in your portfolio, which are held by the custodian. A key advantage of beneficial ownership of listed securities is that you're entitled to all income (dividends, distributions) and any taxation concessions that you qualify for (for example franking credits). If you invest in BT Managed Portfolios through Panorama Investments, the tax treatment outlined in this summary assumes that the Australian Taxation Office will (consistent with its existing practice) accept tax returns lodged by you as if you held the underlying securities directly, even though the custodian holds those underlying securities on trust for you. This summary also assumes that you hold your securities on capital account.

If you're investing through Panorama Super (or BT Super Invest), you should refer to the relevant disclosure document for information on the tax treatment of your investments.

## Tax on income

As the beneficial owner of all assets held in your portfolio, income from those assets will be treated as having accrued directly to you. Accordingly, each financial year you are taxed directly on any interest, distributions, dividends or other income from your assets (even if your income is reinvested into your portfolio as part of the rebalance process). Expenses incurred by you in deriving assessable income may be treated as allowable deductions. Transaction costs incurred on the acquisition or disposal of securities are included in the cost base of the securities and thereby affect the capital gain or loss arising on disposal.

You may be entitled to some tax credits such as franking credits or foreign income tax offsets to reduce part or all of any tax liability. Your entitlement to franking credits is subject to you satisfying the relevant holding period requirements.

## Tax on capital gains

The disposal of assets in your portfolio may result in gains or losses that may be taxable to you. Disposal of assets may arise from the following circumstances:

- the rebalance of your portfolio, and
- your decision to withdraw or change between managed portfolio options.

If the asset has been held for more than 12 months, it may be eligible for the CGT discount. Any realised capital losses you may have (made within or outside BT Managed Portfolios) are generally offset against your taxable capital gains, and any unused capital losses may be carried forward to subsequent years.

The transfer of assets in your own name in or out of your portfolio should not result in a disposal for CGT purposes.

## Goods and Services Tax (GST)

GST isn't imposed on investments to or withdrawals from your portfolio or on income distributions you receive within your portfolio. However, it will be charged on fees payable to us.

BT Managed Portfolios may be entitled to claim a Reduced Input Tax Credit (RITC) refund for part of the GST incurred in relation to the fees.

## Non-residents

If you are a non-resident investor, income distributed to you may be subject to Australian withholding tax. Non-resident withholding tax generally applies to unfranked dividends, interest, certain capital gains and other Australian sourced income. You may also be subject to tax on those distributions in your country of residence. You should seek professional advice if this applies to you.


## Tax File Number (TFN) or Australian Business Number (ABN) notification

You're not obliged to provide your TFN or ABN but, if you provide neither and don't claim an exemption, we're required to withhold tax from income paid to you at the highest marginal tax rate, plus the Medicare levy, to meet Australian Taxation Office requirements.

Australian companies and other entities that invest with us for business purposes can supply us with their ABN instead of their TFN.

## Tax reports

If you're investing through Panorama Investments, we'll provide your annual tax position once we have the necessary information from third parties after the end of the financial year. You will receive an email when these are available online at [bt.com.au/panorama](http://bt.com.au/panorama).

 Please note: Tax information provided in the PDS is intended to be a brief guide only and shouldn't be relied upon as a complete statement of all relevant laws. It's based on our interpretation of current laws at the date of the PDS. The information is provided as a general overview of how these laws apply to you, but the application of these laws depends on your individual circumstances. We recommend that you seek independent professional tax advice about your specific circumstances.

You should be aware that any investment decision you make may have tax consequences and may also have social security and government duty consequences. The impact depends on your individual circumstances, and you are responsible for all such consequences when dealing with your assets. If you have further questions regarding the tax information in the PDS, you should obtain professional advice.

# Other important information

## What are the main rights of investors under the Constitution?

BT Managed Portfolios is a registered managed investment scheme (Scheme) for which we are the Responsible Entity.

The rights and obligations of members in BT Managed Portfolios are governed by the Constitution for the Scheme and the PDS, but are also affected by the Corporations Act, relief and guidelines issued by ASIC, and the general law. Some features of the Scheme to which provisions of the Constitution relate are discussed elsewhere in the PDS, including the fees and expenses the Responsible Entity is able to charge and recover under the Constitution, and a member's right to withdraw money and securities from a portfolio. Other provisions relating to a member's rights under the Constitution include provisions setting out:

- the nature of an interest in BT Managed Portfolios and the assets in a portfolio
- the powers, rights and obligations of the Responsible Entity with respect to BT Managed Portfolios, including our rights to be indemnified from the assets of BT Managed Portfolios and the limitations on the liability of the Responsible Entity to members of BT Managed Portfolios
- what a member is entitled to receive when they withdraw from the Scheme, or if BT Managed Portfolios is wound up, and
- complaints procedures.

The rights of a member to requisition, attend and vote at meetings of the Scheme are contained in the Corporations Act.

## What are our main duties and rights under the Constitution?

Under the Constitution of BT Managed Portfolios, we:

- have discretion to refuse transfers and applications
- may change the Constitution, but we need approval at a meeting of Scheme members if we believe the change will adversely affect the rights of Scheme members
- may retire, in which case we may (subject to the Corporations Act) appoint a new responsible entity
- may terminate BT Managed Portfolios on a date we determine and of which we inform members by at least 60 days prior written notice
- may terminate an interest in BT Managed Portfolios at any time for any reason, including if a member maintains a balance below the minimum balance, and
- may deduct any amount owing to us from the assets in your portfolio to satisfy any tax amount which relates to your portfolio or any other amount owed to us by you.

As Responsible Entity of the Scheme, we must comply with all obligations set out in the Constitution. We are also subject to duties under the law including duties to act honestly, exercise care and diligence, and treat investors equally. We must prefer the interests of investors to our own interests.

## What are our liabilities and indemnities under the Constitution?

The Constitution limits our liabilities in relation to the Scheme. For example:

- we are not liable for acting in reliance in good faith on professional advice, and
- if we comply with relevant duties and act in accordance with the Corporations Act and the Constitution, we are not liable for any loss in connection with your portfolio. We exclude liability under other laws to the extent possible.

We may be reimbursed for our liabilities and the liabilities of the Scheme out of the Scheme's assets and the assets of your portfolio for any liability which we incur in properly performing our obligations and duties and exercising our powers in relation to the assets in your portfolio and the Scheme.

## Proxy voting, rights issues and corporate actions

We will make all decisions in our discretion about voting at security holder meetings or exercising rights relating to assets held in the Scheme (such as taking up rights entitlements or accepting takeover offers) and similar events known as 'corporate actions'. We will also determine whether or not to act in relation to such corporate actions (based on our systems, ability to respond to particular corporate actions and our corporate actions policy. That policy currently provides that we will generally abstain from voting). We are not able to exercise votes or other rights in accordance with the instructions of individual investors. Please also note that we are not legally permitted to exercise voting rights attached to Westpac Banking Corporation shares.

## Related party transactions and conflicts of interests

The Scheme may invest in another fund (related funds) of which we, or a related entity of ours, is trustee, responsible entity or manager. There's no limit on the level of investment in such related funds.

Subject to the Constitution of the Scheme and the Corporations Act, we may appoint any of our related bodies corporate (including Westpac Banking Corporation and any member of the Westpac Group) as an investment manager or to provide other services (including banking and broking services) or perform functions in relation to the Scheme, including acting as our delegate. We may also enter into financial or other transactions with related bodies corporate and other related entities in relation to the assets of your portfolio. A related body corporate or related entity is entitled to earn fees, commissions or other benefits in relation to any such appointment or transaction and to retain them for its own account. Such arrangements will be based on

## Other important information

arm's length commercial terms or as otherwise permissible under the law.

In the course of operating the Scheme, we may face conflicts in respect of our duties owed to the Scheme, related schemes and our own interests. The roles and involvement of other members of the Westpac Group may also give rise to conflicts of interests and duties.

For example:

- As the Responsible Entity, WFSL may engage a related body corporate or other related party to provide WFSL with advice on the development and management of the managed portfolio options. WFSL will be incurring expenses (and making payments to this investment manager) in connection with these advisory services.
- BTPS will perform roles both as the operator of Panorama Investments and as the administrator and custodian of Panorama Super (that is, the capacity in which BTPS will be the member of the Scheme and hold the legal interest in the Scheme) and as custodian in relation to the Scheme (holding assets as the agent of WFSL).

In dealing with conflicts, we must prefer the interests of Scheme members. We have policies and procedures in place to ensure we manage these conflicts of interests through controlling, avoiding or disclosing the conflict. We will resolve such conflicts fairly and reasonably between investors and in accordance with the law, ASIC policy and our own policies (in that order of priority).

### Reporting

BT Managed Portfolios is subject to regular reporting obligations. Annual Reports and any updated disclosure regarding BT Managed Portfolios are available by logging in to [bt.com.au/panorama](http://bt.com.au/panorama). Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

### Cooling-off rights

Your account in BT Managed Portfolios is held by BTPS on your behalf (if you are investing through Panorama Investments) or on behalf of the trustee of Retirement Wrap (if you are investing through Panorama Super) so you don't have any cooling-off rights in relation to any investment in BT Managed Portfolios.

## How we resolve complaints

If you have a concern or complaint about BT Managed Portfolios that you can't resolve, please contact your adviser or call us on 1300 881 716 from 8am to 6.30pm, Monday to Friday (Sydney time). If we're unable to resolve your concerns over the phone, we will refer the matter to our Complaints Officer. Alternatively, you can outline your complaint in writing to:

The Complaints Officer  
GPO Box 2861  
Adelaide SA 5001.

The Complaints Officer will acknowledge receipt of your complaint, and will try to resolve the matter within 45 days of receiving your letter.

If you have a concern or complaint about your adviser or the financial product advice you have received, please approach the Australian Financial Services Licensee for whom your adviser was acting.

If you're not satisfied with our response, you may refer your complaint to the Australian Financial Complaints Authority (AFCA) in the following ways:

- online at [www.afca.org.au](http://www.afca.org.au)
- email [info@afca.org.au](mailto:info@afca.org.au)
- telephone 1800 931 678
- writing to:  
Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001.

## Important terms used in the PDS

Term	Meaning
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>asset targets</b>	The target percentage asset allocation for each asset within a managed portfolio option.
<b>assets</b>	Any listed securities, interests in a managed fund or exchange traded fund you hold in your portfolio.
<b>asset transfer</b>	The transfer of assets to/from your account in a Panorama Product from/to a managed portfolio option. Asset transfer instructions can only be submitted by your adviser using the 'intra account transfers' functionality.
<b>BT Cash Management Account or BT CMA</b>	BT Cash Management Account as described in the BT Cash Management Account and related Payment Services Terms and Conditions.
<b>BT Managed Portfolios or Scheme</b>	The registered managed investment scheme known as BT Managed Portfolios ARSN 604 066 686.
<b>BT Portfolio Services Ltd or BTPS</b>	BT Portfolio Services Ltd ABN 73 095 055 208 AFSL Number 233715 the operator, administrator and custodian of Panorama Investments, the administrator and custodian of Panorama Super, and the administrator and custodian for BT Managed Portfolios. BTPS has appointed a sub-custodian to hold any listed securities in your portfolio.
<b>business day</b>	A day other than a Saturday or Sunday on which banks are open for general banking business in Sydney.
<b>Constitution</b>	The constitution of BT Managed Portfolios which governs the operation of the Scheme.
<b>investment manager</b>	An investment adviser appointed by us who will advise on the construction and management of a managed portfolio option and/or a sub-portfolio.
<b>listed securities</b>	Australian listed shares, Australian listed property securities and hybrids (including convertibles, preference shares and capital notes).
<b>managed funds</b>	Australian registered unlisted managed investment schemes.
<b>managed portfolio option</b>	Each of the professionally constructed investment strategies described in the Investment Options Booklets.
<b>minimum cash allocation of your selected managed portfolio option</b>	The cash allocation of your portfolio that is held in BT CMA, or any other cash product nominated by us from time to time. This is separate to your transaction account. It does not include any amount allocated to cash products above the minimum.
<b>minimum investment amount</b>	Every managed portfolio option has a specified minimum investment amount. The minimum investment amount is both the minimum initial investment amount and the minimum suggested balance for the relevant managed portfolio option.
<b>Panorama Investments</b>	The investor directed portfolio service known as 'Panorama Investments' issued by BTPS.
<b>Panorama Product</b>	Refers to an account in either Panorama Investments or Panorama Super.
<b>Panorama Super</b>	A plan within the Retirement Wrap superannuation fund ABN 39 827 542 991.
<b>rebalance or rebalance process</b>	The process where we will sell or buy the assets within your portfolio so it reflects the asset targets of your chosen managed portfolio option.
<b>Responsible Entity</b>	Westpac Financial Services Ltd ABN 20 000 241 127 AFSL Number 233716.
<b>sub-portfolio</b>	A subset of the assets in your portfolio that is managed by WFSL in relation to the managed portfolio option using advice it receives from an investment manager that has been appointed by WFSL.
<b>transaction account</b>	The transaction account that forms part of your account in the Panorama Product. It is used to settle your investments in and withdrawals from BT Managed Portfolios.

## Important terms used in the PDS

Term	Meaning
<b>transaction costs</b>	The costs relating to the buying and selling of securities in your portfolio. Refer to the 'What are the fees and other costs?' section in the Investment Options Booklets for more details.
<b>Westpac Financial Services Ltd, WFSL, we, our, us</b>	Westpac Financial Services Ltd as the issuer and Responsible Entity of BT Managed Portfolios.
<b>Westpac Banking Corporation</b>	Westpac Banking Corporation ABN 33 007 457 141 AFSL Number 233714.
<b>Westpac Group</b>	Westpac Banking Corporation and its related bodies corporate.
<b>your portfolio</b>	Assets that relate to your interest in the Scheme and a particular managed portfolio option, which are held by BTPS in its capacity as custodian of BT Managed Portfolios.

In the PDS, all references to time are to Sydney time and all references to 'dollars' or '\$' are to Australian dollars.

## For more information

[bt.com.au/panorama](http://bt.com.au/panorama)

[enquiry@panorama.com.au](mailto:enquiry@panorama.com.au)

1300 881 716

GPO Box 2861 Adelaide SA 5001



# BT Managed Portfolios

Part 2 - Investment Options Booklet  
InvestSense and Integro

Issued 28 September 2022

# About the PDS

The PDS should help you to make a decision about whether or not to invest in BT Managed Portfolios ARSN 604 066 686 by:

- giving you a clear overview of BT Managed Portfolios and how it works
- explaining the benefits, features, risks and costs of investing in BT Managed Portfolios
- giving you an understanding of where you can find more information or get help.

The PDS is comprised of 2 parts:

- **Part 1 - General Information**

Please read this for an overview of BT Managed Portfolios and how it works.

- **Part 2 - Investment Options Booklet (this document)**

This document describes the managed portfolio options within BT Managed Portfolios that are managed by InvestSense Pty Ltd ABN 31 601 876 528 (InvestSense or the investment manager) (together referred to as the Integro managed portfolio options) as well as the fees and charges that apply to these managed portfolio options.

### Updated information

These documents may change. If information is not materially adverse, we may update information by placing a notice on [bt.com.au/panorama](http://bt.com.au/panorama). You may also request a paper copy free of charge by calling us on 1300 881 716. The PDS contains important information that you should consider before making a decision about BT Managed Portfolios.

### General advice warning

The information in the PDS is general information only and doesn't take into account your personal objectives, financial situation or needs. You should consider whether the information in the PDS is appropriate for you in light of your objectives, financial situation and needs.

### Investment manager

InvestSense is the corporate authorised representative of IS FSL Pty Ltd ABN 17 151 866 385 AFSL Number 408800 (IS FSL).

### Eligibility

The managed portfolio options in this document are only accessible by clients of Integro Holdings (WA) Pty Ltd ABN 61 612 297 739 AFSL Number 489444 (Integro). They are only available to you if you are, and continue to be a client of Integro. If you cease to be a client of Integro, you will be able to retain your existing holdings in your Integro managed portfolios via your Panorama Product, however you will be unable to make additional investments into them. Furthermore, the other Integro managed portfolio options will not be available to you. (Please see section on 'Availability' for further information).

### Consent to be named

InvestSense, IS FSL and Integro have given and not withdrawn their consents to the inclusion in this document of all information referable to them (and the managed portfolio options InvestSense

is engaged to manage) in the form and context in which that information appears.

### Availability

If, within your Panorama Investments or Panorama Super account, you only have access to the Compact menu of investment options (and not the Full menu), you may not be able to access some or all of the managed portfolio options described in this document. Refer to the disclosure document for your Panorama Product for more information about the Compact menu and Full menu. Please contact your adviser or the Panorama Support team to confirm your ability to access and invest in the Integro managed portfolio options.

Managed portfolio options in BT Managed Portfolios other than those described in this document might also be available to you. Information about these other managed portfolio options is set out in separate product disclosure statements for BT Managed Portfolios that are also issued by us. You should obtain and consider those product disclosure statements in deciding whether to acquire or continue to hold any interest in BT Managed Portfolios. Contact the Panorama Support team or your adviser for more information on other managed portfolio options that may be available to you, and to obtain a copy of the relevant product disclosure statement for those managed portfolio options.



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# Who is the investment manager?

## InvestSense Pty Ltd (InvestSense)

InvestSense has been appointed by us as investment manager to advise on the construction and management of the Integro managed portfolio options.

<b>ABN</b>	31 601 876 528
<b>Authorised Representative Number</b>	1006839
<b>About the investment manager</b>	<p>InvestSense is a portfolio construction and consulting company founded in 2014.</p> <p>InvestSense's portfolio management team have had extensive experience in financial markets across institutional and retail investment consulting, portfolio management and investment research. InvestSense aims to bring institutional grade experience and systems to create bespoke investment solutions.</p> <p>InvestSense specialises in outcome-based portfolio solutions utilising managed account technology.</p>
<b>Investment philosophy and process</b>	<p>InvestSense believes that prevailing market valuations tend to be indicative of final outcomes over long-time periods. By undertaking a forward-looking view of expected returns and implied risks, InvestSense aims to understand if the market is sufficiently rewarding investors for the risks they are undertaking across different asset class.</p> <p>InvestSense's investment approach combines elements of fundamental and quantitative analysis, top-down and bottom-up views. InvestSense doesn't believe that any single investment style has a permanent edge in delivering superior returns across all asset classes, time horizons and market conditions. Rather, the investment methodology forces it to think about which tool, or combination of, is more likely to be effective under various scenarios and the current market environment.</p>

# What are the fees and other costs?

## 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 investment 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 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 fees. 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 own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

## Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs for the particular investment options are set out on page 9.

## What are the fees and other costs?

### Fees and costs summary

BT Managed Portfolios		
Type of fee or cost <sup>1</sup>	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>2</sup></b>		
<p><b>Management fees and costs</b> The fees and costs for managing your investment.</p> <p>This does not include the Panorama Product fees and costs: see the disclosure document for your Panorama Product.</p>	Estimated to range from 0.5974% to 0.6574% per annum for each managed portfolio option.	<p><b>Investment management fee</b> Calculated on the average daily value of your portfolio and deducted monthly in arrears from the balance of the cash allocation of your portfolio.</p> <p><b>Indirect costs</b> The indirect costs apply to the underlying investments held in your portfolio and are paid from the assets of the underlying managed funds or exchange traded funds in their unit or market prices.</p>
<p><b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product</p>	Estimated to range from 0.02% to 0.09% per annum for each managed portfolio option.	Performance fees are paid from the assets of the underlying managed funds or exchange traded funds in their unit or market prices.
<p><b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets</p>	Estimated to range from 0.04% to 0.12% per annum for each managed portfolio option.	<p><b>Transaction fees</b> A transaction fee is charged at the point of sale by deduction from the trade value of the listed securities and exchange traded funds in your portfolio.</p> <p><b>Transaction costs (underlying investments)</b> Transaction costs (net of buy/sell spread) are charged in trading activity to execute the investment strategy of the underlying managed funds or exchange traded funds (excluding applications and redemptions) in their unit or market prices.</p>
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)<sup>3</sup></b>		
<p><b>Establishment fees</b> The fee to open your investment</p>	Nil	Not applicable
<p><b>Contribution fee</b> The fee on each amount contributed to your investment</p>	Nil	Not applicable
<p><b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	Nil	Not applicable
<p><b>Withdrawal fee</b> The fee on each amount you take out of your investment</p>	Nil	Not applicable
<p><b>Exit fee</b> The fee to close your investment</p>	Nil	Not applicable
<p><b>Switching fee</b> The fee for changing investment options</p>	Nil	Not applicable

1 Personal and general advice fees may also apply; see 'Additional explanation of fees and costs'.

2 The ongoing annual fees and costs applying to each managed portfolio option are set out on page 9.

3 Additional fees may apply; see 'Additional explanation of fees and costs'.

## What are the fees and other costs?

### Example of annual fees and costs

#### Example of annual fees and costs for a balanced investment option or other investment option

This table gives an example of how the ongoing annual fees and costs for the balanced investment option or other investment option can affect your investment over a 1 year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example - Integro Growth Portfolio		Balance of \$50,000 with a contribution of \$5,000 during the year <sup>1</sup>
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management fees and costs	0.6474%	<b>And</b> , for every \$50,000 you have in the Integro Growth Portfolio you will be charged or have deducted from your investment <b>\$323.70</b> each year.
<b>PLUS</b> Performance fees	0.07%	<b>And</b> , you will be charged or have deducted from your investment <b>\$35.00</b> in performance fees each year.
<b>PLUS</b> Transaction costs	0.10%	<b>And</b> , you will be charged or have deducted from your investment <b>\$50.00</b> in transaction costs.
<b>EQUALS</b> Cost of Integro Growth Portfolio		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of:  <b>\$408.70</b>  <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

<sup>1</sup> This example assumes that the \$50,000 is invested for the entire year, the value of the investment is constant over the year and that the additional \$5,000 is invested at the end of the year. Therefore, fees and costs are calculated using the \$50,000 balance only.

The fees and costs charged do not include:

- the Panorama Product fees and costs: see the disclosure document for your Panorama Product; and
- the buy/sell spread charged by the fund manager: see 'Additional explanation of fees and costs'.

### Cost of product information

#### Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1 year period for all investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. (Additional fees such as an establishment fee or an exit fee may apply: refer to the Fees and costs summary for the relevant option.)

You should use this figure to help compare this product with other products offered by managed investment schemes.

Option name	Cost of product
Integro Conservative Portfolio	<b>\$328.70</b>
Integro Balanced Portfolio	<b>\$373.70</b>
Integro Growth Portfolio	<b>\$408.70</b>
Integro Aggressive Portfolio	<b>\$433.70</b>

### Additional explanation of fees and costs

#### Management fees and costs

Management fees and costs for each managed portfolio option include the investment management fee and indirect costs.

#### Investment management fee

We are entitled to be paid an investment management fee as responsible entity of BT Managed Portfolios. The investment

management fee includes expense recoveries, such as government levies and compliance costs.

We may pay the investment manager a fee for investment management services provided to us. This is paid from the investment management fee we receive and is not an additional cost to you.

## What are the fees and other costs?

### Indirect costs

The fund managers charge indirect costs in managing the managed portfolio's assets which indirectly reduce the return on the managed portfolio option (other than the performance fees or transaction costs). These costs are not charged by us but are generally deducted by the fund manager from the assets of their underlying managed fund or exchange traded fund and reflected in their unit or market prices.

In addition, we may charge indirect costs in the cash allocation of each managed portfolio option.

### Rebates

Our estimates of the indirect costs take into account any rebate passed on by the fund manager for investment costs for the managed fund within your portfolio.

Any rebate will be paid in full to the cash allocation of your portfolio or your Panorama Product's transaction account if you have fully withdrawn from your portfolio.

### Performance fees

A performance fee may be charged by a fund manager when the fund's investment returns outperform either a specific benchmark or a performance hurdle return. The performance fee is calculated and deducted as described in the fund manager's disclosure document and incorporated in the fund's unit or market price.

### Transaction costs

Transaction costs are:

- our transaction fees arising from trading activities within your portfolio; and
- the fund manager's transaction costs relating to the underlying investments within your portfolio.

### Transaction fees (trading activities)

We charge a transaction fee in the buying and selling of listed securities and exchange traded funds in your portfolio to cover the costs of processing and settling the transactions, including brokerage. Generally, the fee will be between 0.11% and 0.18% of the transaction amount but may be as high as 0.20% of the transaction amount. As an example, a \$50,000 transaction in your portfolio attracting a 0.18% transaction fee would be \$90.

### Transaction costs (underlying investments)

A fund manager may incur transactional and operational costs in carrying out its investment strategy, such as brokerage, stamp duty and clearing and settlement costs. They are charged at the time of the trading activity and incorporated into the fund's unit or market price.

The transaction costs shown in the 'Fees and costs summary' are net of any amount recovered by the buy-sell spread that is charged by the fund manager. These transactional costs are an additional cost to you as they are not recovered by the buy-sell spread.

### Buy/sell spread

The buy/sell spread charged by the fund manager is an additional cost to you by reducing your investment return. It is not included in the 'Example of annual fees and costs'.

The charging of the fund manager's buy/sell spread is explained in the disclosure document for your Panorama Product.

Further information on each fund manager's buy/sell spread is available in the fund manager's disclosure document.

### Changes in fees and costs

We have the right to change the amount of fees without your consent but we will give you 30 days' notice prior to any increase.

Under the scheme's Constitution the responsible entity may receive a maximum investment management fee of 4% per annum (excluding GST) of the total value invested and a maximum performance fee of 5% per annum (excluding GST) of the total value invested. The responsible entity does not currently charge performance fees.

### Estimated fees and costs

With the exception of the investment management fee, all fees and costs relating to the Integro managed portfolio options have been estimated for the current financial year (or in the case of new or varied managed portfolio option, adjusted to reflect a 12-month period), based on information available to us during the preparation of this document and the weightings of the underlying investments within each managed portfolio option. Actual fees and costs are not fixed but vary over time and depend on the underlying investments and their weightings within the managed portfolio option, how the underlying investments are traded and the actual fees and costs incurred.

### Tax

The benefit of any reduced input tax credit (RITC) has been passed onto you. Except where otherwise stated, all fees and costs in this document include GST and are net of RITC.

For information about tax generally refer to 'Taxation' in Part 1 of the PDS.

### Other fees and costs

All other fees and costs (such as government fees, bank fees, fees for failed transactions and penalty interest) incurred in a transaction, deposit or withdrawal will be passed on to you by deduction from the cash allocation of your portfolio.

### Adviser remuneration - personal advice

Advice fees may be deducted from your Panorama Product transaction account where you have signed a fee deduction consent by arrangement with your financial adviser according to the adviser's fee disclosure.

# Integro managed portfolio options list

The fees and costs applying to each managed portfolio option are set out below.

Portfolio name	APIR code	Management fees and costs (pa)		Performance fees (pa)	Transaction costs (pa)		Total ongoing annual fees and costs (pa) <sup>1</sup>	Page
		Investment management fee	Indirect costs		Transaction fees	Transaction costs (underlying investments)		
<b>ASSET CLASS: Diversified</b>								
Integro Conservative Portfolio	WFS9757AU	0.2574%	0.34%	0.02%	0.00%	0.04%	0.6574%	10
Integro Balanced Portfolio	WFS8892AU	0.2574%	0.37%	0.05%	0.00%	0.07%	0.7474%	11
Integro Growth Portfolio	WFS1251AU	0.2574%	0.39%	0.07%	0.01%	0.09%	0.8174%	12
Integro Aggressive Portfolio	WFS1718AU	0.2574%	0.40%	0.09%	0.01%	0.11%	0.8674%	13

<sup>1</sup> For more information on fees and costs, see 'What are the fees and other costs?' section in this document.



# Integro managed portfolio options summaries

## Integro Conservative Portfolio

<b>APIR code</b>	WFS9757AU		
<b>Designed for investors who</b>	Seek a return above inflation by investing in a diversified portfolio. They are prepared to accept a low to medium level of risk to achieve this objective.		
<b>Investment objective</b>	To deliver total return in line with the benchmark, after fees, over a rolling five year period.		
<b>Benchmark index</b>	Consumer Price Index + 1% pa		
<b>Asset class</b>	Diversified		
<b>Investment style</b>	Active		
<b>Investment strategy and approach</b>	<p>The investment manager believes that prevailing market valuations tend to be indicative of final outcomes over long-time periods. By undertaking a forward-looking view of expected returns and implied risks, the investment manager aims to understand if the market is sufficiently rewarding investors for the risks they are undertaking across different asset classes.</p> <p>The portfolio does not have a pre-defined asset allocation, instead the investment manager employs an objective based approach which aims to determine the appropriate mix of asset classes that is likely to achieve the stated objective while minimising the level of risk. As investment markets fluctuate and therefore expected returns change, the investment manager alters the asset allocation accordingly.</p> <p>In general, the portfolio's long term average exposure will be around 70% defensive assets and around 30% growth assets. However, the portfolio's strategy is relatively unconstrained and there may be times when the actual asset allocation will deviate significantly from the expected long term average position. As a guide, it is expected that the any deviation from the long term average position would be within +/- 30%.</p>		
<b>Investment universe</b>	Australian registered managed funds, exchange traded funds and listed securities predominantly within the S&P/ASX 300 Index.		
<b>Risk label (SRM)</b>	Low to medium (3)		
<b>Minimum investment horizon</b>	5 years		
<b>Minimum investment amount</b>	\$50,000		
<b>Indicative number of assets</b>	7 – 60		
<b>Management fees and costs<sup>1</sup></b>	0.5974% pa		
<b>Performance fees<sup>1</sup></b>	0.02% pa		
<b>Transaction costs<sup>1</sup></b>	0.04% pa		
<b>Asset allocation ranges</b>	<b>Asset class</b>	<b>Minimum (%)</b>	<b>Maximum (%)</b>
	Cash <sup>2</sup>	1	100
	Australian fixed interest	0	80
	International fixed interest	0	80
	Fixed interest other	0	80
	Australian shares	0	40
	International shares	0	40
	Australian property	0	20
	International property	0	20
	Listed infrastructure	0	20
	Alternatives <sup>3</sup>	0	30
Diversified <sup>3</sup>	0	20	

<sup>1</sup> For more information on fees and costs, see 'What are the fees and other costs?' section in this document.

<sup>2</sup> The 'Cash' asset class includes the cash allocation of the portfolio that is held in a cash product nominated by us but may include allocation to other cash type investments.

<sup>3</sup> The 'Alternatives' and 'Diversified' asset classes may contain both defensive and growth assets.

## Integro Balanced Portfolio

<b>APIR code</b>	WFS8892AU		
<b>Designed for investors who</b>	Seek a modest return above inflation with some potential for capital growth by investing in a diversified portfolio. They are prepared to accept a medium level of risk to achieve this objective.		
<b>Investment objective</b>	To deliver total return in line with the benchmark, after fees, over a rolling five year period.		
<b>Benchmark index</b>	Consumer Price Index + 2% pa		
<b>Asset class</b>	Diversified		
<b>Investment style</b>	Active		
<b>Investment strategy and approach</b>	<p>The investment manager believes that prevailing market valuations tend to be indicative of final outcomes over long-time periods. By undertaking a forward-looking view of expected returns and implied risks, the investment manager aims to understand if the market is sufficiently rewarding investors for the risks they are undertaking across different asset classes.</p> <p>The portfolio does not have a pre-defined asset allocation, instead the investment manager employs an objective based approach which aims to determine the appropriate mix of asset classes that is likely to achieve the stated objective while minimising the level of risk. As investment markets fluctuate and therefore expected returns change, the investment manager alters the asset allocation accordingly.</p> <p>In general, the portfolio's long term average exposure will be around 50% defensive assets and around 50% growth assets. However, the portfolio's strategy is relatively unconstrained and there may be times when the actual asset allocation will deviate significantly from the expected long term average position. As a guide, it is expected that the any deviation from the long term average position would be within +/- 30%.</p>		
<b>Investment universe</b>	Australian registered managed funds, exchange traded funds and listed securities predominantly within the S&P/ASX 300 Index.		
<b>Risk label (SRM)</b>	Medium (4)		
<b>Minimum investment horizon</b>	5 years		
<b>Minimum investment amount</b>	\$50,000		
<b>Indicative number of assets</b>	7 – 60		
<b>Management fees and costs<sup>1</sup></b>	0.6274% pa		
<b>Performance fees<sup>1</sup></b>	0.05% pa		
<b>Transaction costs<sup>1</sup></b>	0.07% pa		
<b>Asset allocation ranges</b>	<b>Asset class</b>	<b>Minimum (%)</b>	<b>Maximum (%)</b>
	Cash <sup>2</sup>	1	100
	Australian fixed interest	0	70
	International fixed interest	0	70
	Fixed interest other	0	70
	Australian shares	0	50
	International shares	0	50
	Australian property	0	20
	International property	0	20
	Listed infrastructure	0	20
	Alternatives <sup>3</sup>	0	30
Diversified <sup>3</sup>	0	20	

1 For more information on fees and costs, see 'What are the fees and other costs?' section in this document.

2 The 'Cash' asset class includes the cash allocation of the portfolio that is held in a cash product nominated by us but may include allocation to other cash type investments.

3 The 'Alternatives' and 'Diversified' asset classes may contain both defensive and growth assets.

## Integro Growth Portfolio

<b>APIR code</b>	WFS1251AU		
<b>Designed for investors who</b>	Seek a high return above inflation with capital growth by investing in a diversified portfolio. They are prepared to accept a medium to high level of risk to achieve this objective.		
<b>Investment objective</b>	To deliver total return in line with the benchmark, after fees, over a rolling seven year period.		
<b>Benchmark index</b>	Consumer Price Index + 3% pa		
<b>Asset class</b>	Diversified		
<b>Investment style</b>	Active		
<b>Investment strategy and approach</b>	The investment manager believes that prevailing market valuations tend to be indicative of final outcomes over long-time periods. By undertaking a forward-looking view of expected returns and implied risks, the investment manager aims to understand if the market is sufficiently rewarding investors for the risks they are undertaking across different asset classes.		
	The portfolio does not have a pre-defined asset allocation, instead the investment manager employs an objective based approach which aims to determine the appropriate mix of asset classes that is likely to achieve the stated objective while minimising the level of risk. As investment markets fluctuate and therefore expected returns change, the investment manager alters the asset allocation accordingly.		
	In general, the portfolio's long term average exposure will be around 30% defensive assets and around 70% growth assets. However, the portfolio's strategy is relatively unconstrained and there may be times when the actual asset allocation will deviate significantly from the expected long term average position. As a guide, it is expected that the any deviation from the long term average position would be within +/- 30%.		
<b>Investment universe</b>	Australian registered managed funds, exchange traded funds and listed securities predominantly within the S&P/ASX 300 Index.		
<b>Risk label (SRM)</b>	Medium to high (5)		
<b>Minimum investment horizon</b>	7 years		
<b>Minimum investment amount</b>	\$50,000		
<b>Indicative number of assets</b>	7 – 60		
<b>Management fees and costs<sup>1</sup></b>	0.6474% pa		
<b>Performance fees<sup>1</sup></b>	0.07% pa		
<b>Transaction costs<sup>1</sup></b>	0.10% pa		
<b>Asset allocation ranges</b>	<b>Asset class</b>	<b>Minimum (%)</b>	<b>Maximum (%)</b>
	Cash <sup>2</sup>	1	90
	Australian fixed interest	0	60
	International fixed interest	0	60
	Fixed interest other	0	60
	Australian shares	0	60
	International shares	0	60
	Australian property	0	20
	International property	0	20
	Listed infrastructure	0	20
	Alternatives <sup>3</sup>	0	30
	Diversified <sup>3</sup>	0	20

1 For more information on fees and costs, see 'What are the fees and other costs?' section in this document.

2 The 'Cash' asset class includes the cash allocation of the portfolio that is held in a cash product nominated by us but may include allocation to other cash type investments.

3 The 'Alternatives' and 'Diversified' asset classes may contain both defensive and growth assets.

## Integro Aggressive Portfolio

<b>APIR code</b>	WFS1718AU		
<b>Designed for investors who</b>	Seek a high return above inflation with capital growth by investing in a diversified portfolio. They are prepared to accept a high level of risk to achieve this objective.		
<b>Investment objective</b>	To deliver total return in line with the benchmark, after fees, over a rolling 10 year period.		
<b>Benchmark index</b>	Consumer Price Index + 4% pa		
<b>Asset class</b>	Diversified		
<b>Investment style</b>	Active		
<b>Investment strategy and approach</b>	The investment manager believes that prevailing market valuations tend to be indicative of final outcomes over long-time periods. By undertaking a forward-looking view of expected returns and implied risks, the investment manager aims to understand if the market is sufficiently rewarding investors for the risks they are undertaking across different asset classes.		
	The portfolio does not have a pre-defined asset allocation, instead the investment manager employs an objective based approach which aims to determine the appropriate mix of asset classes that is likely to achieve the stated objective while minimising the level of risk. As investment markets fluctuate and therefore expected returns change, the investment manager alters the asset allocation accordingly.		
	In general, the portfolio's long term average exposure will be around 15% defensive assets and around 85% growth assets. However, the portfolio's strategy is relatively unconstrained and there may be times when the actual asset allocation will deviate significantly from the expected long term average position. As a guide, it is expected that the any deviation from the long term average position would be within +/- 30%.		
<b>Investment universe</b>	Australian registered managed funds, exchange traded funds and listed securities predominantly within the S&P/ASX 300 Index.		
<b>Risk label (SRM)</b>	High (6)		
<b>Minimum investment horizon</b>	10 years		
<b>Minimum investment amount</b>	\$50,000		
<b>Indicative number of assets</b>	7 – 60		
<b>Management fees and costs<sup>1</sup></b>	0.6574% pa		
<b>Performance fees<sup>1</sup></b>	0.09% pa		
<b>Transaction costs<sup>1</sup></b>	0.12% pa		
<b>Asset allocation ranges</b>	<b>Asset class</b>	<b>Minimum (%)</b>	<b>Maximum (%)</b>
	Cash <sup>2</sup>	1	70
	Australian fixed interest	0	40
	International fixed interest	0	40
	Fixed interest other	0	40
	Australian shares	0	70
	International shares	0	70
	Australian property	0	20
	International property	0	20
	Listed infrastructure	0	20
	Alternatives <sup>3</sup>	0	30
	Diversified <sup>3</sup>	0	20

1 For more information on fees and costs, see 'What are the fees and other costs?' section in this document.

2 The 'Cash' asset class includes the cash allocation of the portfolio that is held in a cash product nominated by us but may include allocation to other cash type investments.

3 The 'Alternatives' and 'Diversified' asset classes may contain both defensive and growth assets.

## For more information

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