

BT Invest Managed Portfolios

Supplementary Product Disclosure Statement

Dated 8 March 2019

This Supplementary Product Disclosure Statement (SPDS) is dated 8 March 2019 and supplements the Product Disclosure Statement (PDS) for BT Invest Managed Portfolios dated 14 October 2017.

This SPDS is issued by Westpac Financial Services Ltd ABN 20 000 241 127 AFSL 233716 and should be read together with the PDS.

Each investment manager named in this SPDS have given and not withdrawn their consent to the inclusion in this SPDS of all information referable to them (and the managed portfolios they are engaged to manage) in the form and context in which that information appears.

This SPDS provides updated information in relation to an additional managed portfolio option, changes to the existing Antares Dividend Builder Portfolio, underlying fees and costs outlined in the PDS, an Investment Manager change of name and changes on how to resolve complaints.

[Additional Managed Portfolio option](#)

In the section 'BT Managed Portfolios options summaries' (pages 18 to 26), insert the following new information:

Pendal Sustainable Future Australian Shares Portfolio

APIR code	WFS7406AU
Investment manager	Pendal Institutional Limited (Pendal)
Designed for investors who	Seek an actively managed portfolio of Australian shares which demonstrate attractive financial and environmental, social and governance (ESG) features. The portfolio will not invest in businesses involved with the production of fossil fuels, alcohol, gaming, tobacco, pornography and weapons or have those that have significant human rights, corporate governance or environmental breaches.
Investment objective	To deliver outperformance relative to the benchmark before fees over a rolling five year period by investing in companies which Pendal has identified as having leading financial, ethical and sustainability characteristics.
Benchmark index	S&P/ASX 300 Accumulation Index
Asset class	Australian Shares
Investment style	Active

Investment strategy and approach

Pendal's investment strategy aims to add value through active stock selection and fundamental company research. Pendal selects stocks based on their assessment of the company's long term worth and its ability to outperform the market.

Pendal's fundamental company research looks at the following:

- Valuation – current share price versus longer term projected price.
- Risk factors – financial and non-financial.
- Franchise – performance of the company when compared with its peers.
- Management quality.

Pendal's ethical and sustainability screening process considers a company's material ESG exposures as it relates to both industry and company specific activities. Through Pendal's industry screens, Pendal seeks companies in industries that provide a direct benefit to social and/or environmental outcomes. These screens also identify those industries that have unethical activities and create social harm. Company specific activities are assessed using a 'Best of Sector' approach that rates companies on their exposure and management of material ESG issues. Specifically Pendal seeks exposure to companies that rate above their peers while avoiding those whose assessment places them materially below sector expectations.

The portfolio is constructed by incorporating Pendal's best stock ideas within the context of Pendal's fundamental research and sustainable assessment, with appropriate levels of diversification to increase the possibility of the portfolio's return and risk targets being realised.

Investment universe	Securities within the S&P/ASX Accumulation 300 Index		
Risk label	High		
Minimum investment horizon	5 years		
Minimum investment amount	\$25,000		
Indicative number of assets	15 – 40		
Investment management fee	0.70% pa		
Fees and costs – underlying investments	Transactional and operational costs of underlying investments 0.11% pa ¹		
	Transaction fees 0.11% pa ²		
Asset allocation ranges	Asset class	Minimum (%)	Maximum (%)
	Cash ³	2	5
	Australian Shares ⁴	95	98

1 These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

2 This amount is an estimate of the transaction fees in relation to the 12 months to 30 June 2018.

3 The 'Cash' asset class includes the cash allocation of the portfolio that is held in BT CMA (or any other cash product nominated by us) but may include allocation to other cash type investments.

4 The Australian Shares asset class may include allocation to listed property securities (ie Australian Real Estate Investment Trusts).

ESG approach when selecting, retaining and realising investments

The portfolio invests in shares of Australian companies that are considered to meet Pental's ethical and sustainable criteria whilst representing an attractive financial valuation.

The investible universe, the S&P/ASX 300, is screened for industries that have direct business involvement in business activities that are deemed harmful to the community and the environment (refer to 'Ethical practices' section below for summary of these industries).

Following this screening process, companies within the remaining industries are researched. Within each industry, using a 'Best of Sector' approach, companies are evaluated against a set of ESG criteria (refer to 'Sustainability' section on this page for summary of these ESG considerations) and then overall sustainability performance is assessed relative to their industry peers. Leaders and laggards are identified on the material sustainable risks and opportunities relevant to each specific company and industry. Companies with sustainability performance that is significantly below their sector peers are removed from the investable universe.

Stocks are selected for the portfolio by combining financial valuation with the sustainability assessment to ensure that the company meets the dual objective of financial returns within a sustainability framework.

The portfolio's compliance with the investment guidelines is reviewed regularly (at least monthly, but this timeframe is not fixed). If Pental's review process identifies that an investment ceases to comply with the investment guidelines for the portfolio, the investment will usually be sold as soon as is reasonably practicable, having regard to the interests of investors.

Labour, environmental, social and ethical considerations

The Ethical practices

The portfolio will not invest in industries with direct business involvement in the following activities:

- fossil fuel production and extraction such as coal, gas and oil
- the production of tobacco or alcohol
- manufacture or provision of gaming facilities
- manufacture of weapons or armaments, and
- manufacture of pornography.

Sustainability

In addition, Pental's sustainable assessment process considers the extent to which a company exhibits appropriate strategic recognition, board oversight, policies and systems to manage the company's material ESG issues. Specifically, the assessment considers issues such as:

- Environmental considerations:
 - management of environmental impacts through the implementation of best practice environmental techniques, technologies and product design
 - environmental performance against a range of environmental indicators including, for example, greenhouse gas emissions, energy and water use and environmental incidents
 - the capacity to consult key stakeholders in relation to activities that may have significant environmental impacts
 - adoption of best practice with regards to management and disclosure of material risks and opportunities associated with climate change.
- Social practices and labour standards:
 - equal opportunity, anti-discrimination and industrial relations policies and practices
 - staff incentives, development and training
 - employee benefits and entitlements
 - human capital management performance against a range of indicators, such as voluntary turnover and gender diversity in senior management
 - products or services that provide positive social impacts such as improved health and community well-being, disease prevention, and education
 - management of contractors and suppliers, and
 - workplace health and safety performance against indicators such as fatalities and lost time injury frequency rate.
- Corporate governance, business conduct and ethical considerations:
 - codes of conduct and the extent of their integration into the company's operations
 - provision of regular and appropriate training
 - whistleblower policies and procedures
 - ethical conduct and performance of employees and officers – the extent to which companies are adopting principles in areas such as complying with the law, fair and open dealings and accepting responsibility for their actions
 - product safety and consumer protection, and
 - engagement practices with employees, shareholders, and key community stakeholders.

Summary page updated with information to the Investment universe, Objective, Strategy, addition of Risk label and new table format for Asset allocation ranges.

This managed portfolio summary replaces the existing summary on page 18 of the PDS.

Antares Dividend Builder Portfolio

APIR code	WFS0577AU		
Investment manager	Antares Capital Partners Ltd (Antares)		
Designed for investors who	Seek a tax effective income stream by investing in companies providing dividend growth. The portfolio may also provide some income stability in an overall investment portfolio, especially during shifting or uncertain markets.		
Investment objective	To deliver higher levels of dividend income, on a tax effective basis, relative to the benchmark, and to achieve moderate capital growth in a tax efficient manner over a rolling five year period.		
Benchmark index	S&P/ASX 200 Industrials Accumulation Index		
Asset class	Australian shares		
Investment style	Income		
Investment strategy and approach	The portfolio provides access to a diversified range of high yielding Australian shares that aim to grow their dividends over time, with an emphasis on securing franked income and minimising share turnover to keep net realised capital gains low.		
Investment universe	Predominantly securities within the S&P/ASX 200 Industrials Accumulation Index		
Risk label	High		
Minimum investment horizon	5 years		
Minimum investment amount	\$25,000		
Indicative number of assets	15 – 25		
Investment management fee	0.46% pa		
Fees and costs – underlying investments	Transactional and operational costs of underlying investments 0.17% pa ¹		
	Transaction fees 0.07% pa ²		
Asset allocation ranges	Asset class	Minimum (%)	Maximum (%)
	Cash ³	2	10
	Australian shares ⁴	90	98

1 These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

2 This amount is an estimate of the transaction fees in relation to the 12 months to 30 June 2018.

3 The 'Cash' asset class includes the cash allocation of the portfolio that is held in BT CMA (or any other cash product nominated by us) but may include allocation to other cash type investments.

4 The 'Australian shares' asset class may include allocation to listed property securities (ie Australian Real Estate Investment Trusts).

Summary page updated with additional portfolio option and fees and costs

Replace the chart on page 17 of the PDS under 'BT Managed Portfolios options list' with the below:

Option name	APIR code	Investment management fee ¹	Fees and costs - underlying investments ²		
			Performance-related fees	Other indirect costs	Total transactional and operational costs
ASSET CLASS: Australian Shares					
Antares Dividend Builder Portfolio	WFS0577AU	0.46% pa	0.00% pa	0.00% pa	0.24% pa
BT S&P/ASX 20 Shares Portfolio	WFS4751AU	0.22% pa	0.00% pa	0.00% pa	0.12% pa
DNR Capital Australian Equities High Conviction Portfolio	WFS0552AU	0.80% pa	0.00% pa	0.00% pa	0.17% pa
Pendal Australian Shares Portfolio	WFS0551AU	0.69% pa	0.00% pa	0.00% pa	0.20% pa
Pendal Sustainable Future Australian Shares Portfolio	WFS7406AU	0.70% pa	0.00% pa	0.00% pa	0.22% pa
ASSET CLASS: Diversified - Defensive					
BT Conservative Portfolio	WFS0583AU	0.42% pa	0.00% pa	0.19% pa	0.00% pa
ASSET CLASS: Diversified - Moderate					
BT Moderate Portfolio	WFS0586AU	0.42% pa	0.00% pa	0.19% pa	0.00% pa
ASSET CLASS: Diversified - Balanced					
BT Balanced Portfolio	WFS0587AU	0.42% pa	0.00% pa	0.19% pa	0.00% pa
ASSET CLASS: Diversified - Growth					
BT Growth Portfolio	WFS0584AU	0.42% pa	0.00% pa	0.19% pa	0.00% pa
ASSET CLASS: Diversified - High Growth					
BT High Growth Portfolio	WFS0585AU	0.42% pa	0.00% pa	0.19% pa	0.00% pa

¹ This fee is payable monthly to us as the responsible entity of BT Managed Portfolios, and is calculated on the average daily value of your portfolio for the month.

² These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

Managed Portfolio options summaries

For the Antares Dividend Builder Portfolio shown on page 18, insert the following updated costs and text:

Transactional and operational costs	- Transactional and operational costs of underlying investments 0.17% pa ¹
	- Transaction fees 0.07% ²

1 These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

2 This amount is an estimate of the transaction fees in relation to the 12 months to 30 June 2018.

For the BT S&P/ASX20 Shares Portfolio shown on page 19, insert the following updated costs and text:

Transactional and operational costs	- Transactional and operational costs of underlying investments 0.10% pa ¹
	- Transaction fees 0.02% ²

1 These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

2 This amount is an estimate of the transaction fees in relation to the 12 months to 30 June 2018.

For the DNR Capital Australian Equities High Conviction Portfolio shown on page 21, insert the following updated costs and text:

Transactional and operational costs	- Transactional and operational costs of underlying investments 0.10% pa ¹
	- Transaction fees 0.07% ²

1 These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

2 This amount is an estimate of the transaction fees in relation to the 12 months to 30 June 2018.

For the Pandal Australian Shares Portfolio (previously BT Australian Shares Portfolio) shown on page 20, insert the following updated costs and text:

Transactional and operational costs	- Transactional and operational costs of underlying investments 0.11% pa ¹
	- Transaction fees 0.09% ²

1 These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

2 This amount is an estimate of the transaction fees in relation to the 12 months to 30 June 2018.

For the BT Conservative Portfolio shown on page 22, insert the following updated costs and text:

Fees and costs - underlying investments¹	- Performance-related fees 0.00% pa
	- Other indirect costs 0.19% pa
	- Net transactional and operational costs 0.00% pa

1 These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

For the BT Moderate Portfolio shown on page 23, insert the following updated costs and text:

Fees and costs - underlying investments¹	- Performance-related fees 0.00% pa
	- Other indirect costs 0.19% pa
	- Net transactional and operational costs 0.00% pa

1 These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

For the BT Balanced Portfolio shown on page 24, insert the following updated costs and text:

Fees and costs - underlying investments¹	- Performance-related fees 0.00% pa
	- Other indirect costs 0.19% pa
	- Net transactional and operational costs 0.00% pa

¹ These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

For the BT Growth Portfolio shown on page 25, insert the following updated costs and text:

Fees and costs - underlying investments¹	- Performance-related fees 0.00% pa
	- Other indirect costs 0.19% pa
	- Net transactional and operational costs 0.00% pa

¹ These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

For the BT High Growth Portfolio shown on page 26, insert the following updated costs and text:

Fees and costs - underlying investments¹	- Performance-related fees 0.00% pa
	- Other indirect costs 0.19% pa
	- Net transactional and operational costs 0.00% pa

¹ These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2018.

Changes to fee example

Replace the 'Example of annual fees and costs for a balanced managed portfolio option' on page 31 with the following:

Example of annual fees and costs for a balanced managed portfolio option or other managed portfolio option

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

EXAMPLE – BT Balanced Portfolio		Balance of \$50,000¹ with a contribution of \$5,000¹ during the year
Contribution fee	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management Costs		
- Investment management fee	0.42%	And , for every \$50,000 you have in BT Balanced Portfolio you will be charged \$305 each year.
- Performance-related fees	0.00% ²	
- Other indirect costs	0.19% ²	
EQUALS		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 of
Cost of BT Balanced Portfolio³		\$305³
		What it costs you will depend on the investment option you choose and the fees you negotiate.

¹ This amount is prescribed by legislation for use in this example. The example above 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 management costs are calculated using the \$50,000 balance only.

² The performance-related fees and other indirect costs are an estimate based on the fees and costs for the BT Balanced Portfolio for the year ended 30 June 2018. The performance-related fees shown are not a representation of likely future performance.

³ Additional fees may apply. Refer to 'Additional explanation of fees and costs' in this section for more information.

Additional explanation of fees and costs

Delete the 'Additional explanation of fees and costs' section on page 31 and replace with the following:

Changes in fees and costs

We have the right to introduce fees and to begin reimbursing ourselves for expenses from your portfolio (including performance fees payable to an investment manager), but we will give you 30 days' notice prior to doing so. The constitution provides for the responsible entity to 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.

Management costs

Management costs for each managed portfolio option include the investment management fee, any performance-related fees and other indirect costs.

Management costs do not include transactional and operational costs ie costs associated with investing (including in underlying funds), some of which may be recovered through buy/sell spreads applied by underlying fund issuers.

Investment management fee

We are entitled to be paid an investment management fee as responsible entity of BT Managed Portfolios. The investment management fee is charged as a percentage of the net asset value of the relevant portfolio option you're invested in. It is accrued daily and paid from the cash allocation of the relevant portfolio option monthly.

We're entitled to be reimbursed from the scheme for authorised expenses incurred in the management and administration of managed portfolio options. Currently routine scheme expenses, including, registry, custodian, accounting, audit and legal expenses (excluding transaction costs), are paid out of our investment management fee. If extraordinary or unusual expenses are incurred, we may choose to recover costs from the scheme.

Indirect costs

Indirect costs are determined as a percentage of the net asset value of the relevant managed portfolio option you're invested in. Indirect costs are an estimate of the costs incurred in managing the managed portfolio's assets which directly or indirectly reduce the return on the managed portfolio. These costs are not directly charged or retained by us. These costs are generally deducted from the assets of an underlying managed fund or exchange traded fund, where applicable.

Where the managed portfolio invests in an underlying managed fund or exchange traded fund, we have relied on the information provided by the issuers of those underlying funds and have made reasonable enquiries where necessary to determine the appropriateness of the indirect costs provided.

The amount included in the table of fees and costs constitutes an estimate of the indirect costs incurred in connection with managing the underlying assets of the managed portfolio for the 12 months to 30 June 2018. These indirect costs are reflected in the unit price of the underlying managed funds or the closing market prices of the exchange traded funds that are held in your portfolio and are an additional cost to you.

Indirect costs include:

- **Performance-related fees:** Where an investment manager manages a part of the managed portfolio's assets (for example through an underlying managed fund or exchange traded fund), and charges a performance fee, this is called a performance-related fee and is included in indirect costs.

Generally performance-related fees will only apply and be charged when specific performance targets are met. There is no guarantee that a performance-related fee will be paid, and the actual fees paid are likely to vary.

Generally, a performance-related fee will only be charged in respect of an underlying managed fund or exchange traded fund when the investment return outperforms either the relevant benchmark or a specific performance hurdle return. However, usually, any prior underperformance must also be made good before the underlying investment manager qualifies for a performance-related fee.

The performance-related fee rate typically ranges from 15%–30% of the outperformance over the relevant benchmark or performance hurdle and is generally paid at least annually (performance period). Performance-related fees affect the underlying fund's return and therefore the value of your investment in the fund. The performance-related fee may still be payable where the overall performance of the underlying managed fund or exchange traded fund has declined over the performance period. This is because one or more underlying investment managers may have outperformed the benchmark or their performance hurdle over that period.

Where an underlying investment manager's cumulative performance for a period is less than the relevant benchmark or performance hurdle, this underperformance may be carried forward to the following period and no further performance-related fees will be either reflected in the unit price or paid in respect of the underlying investment manager until the underperformance is recouped.

The more exposure a managed portfolio has to an underlying investment that charges performance-related fees, the greater the potential impact that this will have on your investment in that managed portfolio.

- **Other indirect costs:** The managed portfolio option may incur other indirect costs via investments through underlying managed funds or exchange traded funds where applicable. Typical indirect costs include an underlying managed fund's or exchange traded fund's costs which have been included in the valuation of the underlying managed fund or exchange traded fund.

Other indirect costs will also be incurred in respect of the cash allocation of each managed portfolio option.

Transactional and operational costs

- **Transaction fees:** We charge a transaction fee in relation to the buying and selling of listed securities and exchange traded funds in your portfolio. This fee will cover the costs of processing and settling the transactions, including the brokerage payable to the appointed broker. 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. In some circumstances, we may not need to process a transaction as it may be possible to net the transaction against transactions for other investors. In these circumstances, we will still charge the transaction fee.

- **Buy/sell spread:** The amount of buy/sell spread varies, depending on the investments used in the managed portfolio option you have selected. For managed funds, the buy/sell spread is charged by the issuer in connection with an application for or redemption of units in those funds. It is paid into the relevant underlying managed fund and not to the issuer and is applied before the unit price is provided to us. If the managed portfolio option invests in listed securities or exchange traded funds, generally no buy/sell spreads will apply to these investments but a transaction fee will apply.

Typical buy/sell spreads are estimated to be between 0% and 0.70% but may fall outside this range. For example, if \$10,000 is invested in an underlying managed fund, at the maximum buy/sell spread of 0.70%, you will generally incur a cost of \$70 at the time you invest. The buy/sell spread is an additional cost to you. Please contact us if you require further information on the buy/ sell spread applicable to the underlying managed funds.

- **Other transactional and operational costs:** In relation to an underlying managed fund, where transactional and operational costs arise from trading activity to execute the relevant fund's investment strategy, and are not the result of applications into and redemptions from the relevant fund, these costs may not be recouped by the buy/sell spread. In these circumstances, they are an additional cost to you at the time of undertaking the trading activity, and are included in the underlying managed fund's unit price.

In addition, when buying and selling listed securities and exchange traded funds in your portfolio, there may be transactional and operational costs in addition to the transaction fees. These are an additional cost to you at the time of undertaking the trading activity.

Our estimate of these transactional and operational costs for the year ended 30 June 2018 for the Pandal Australian Shares Portfolio are set out in the example below. Detailed fee information for each managed portfolio option is set out under 'Managed portfolios options summaries' on pages 18 to 26 of the PDS.

	(A) Transactional and operational costs of the underlying investments	(B) Transaction fees	(C) = (A) + (B) Total transactional and operational costs
Pandal Australian Shares Portfolio	0.11% pa	0.09% pa	0.20% pa

Using the example above, if \$50,000 is invested in the Pandal Australian Shares Portfolio, total transactional and operational costs will be \$100. This is comprised of transaction and operation costs of the underlying investments of \$55 and transaction fees of \$45.

Government duty

Government duty may be payable if you transfer certain assets into or out of your portfolio. Where applicable, government duty will be deducted from your cash account.

Refer to the 'Taxation' section of this PDS for information about tax generally.

Other fees and costs

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

Investment Manager change of name

We have been advised by BT Investment Management (Institutional) Limited (BTIM) that they have changed their name to Pandal Institutional Limited (Pandal).

Therefore, effective 7 May 2018, all references in the PDS to BTIM have changed to Pandal.

Furthermore, the managed portfolio options that are managed by Pandal have changed their naming to reference Pandal (as noted below).

Managed portfolio old option name	Managed portfolio new option name	APIR code	Page
BT Australian Shares Portfolio	Pandal Australian Shares Portfolio	WFS0551AU	20

There is no impact to existing investors as a result of the name change.

How to resolve complaints changes

The Financial Ombudsman Service (FOS) has been replaced by the Australian Financial Complaints Authority (AFCA) effective on **1 November 2018**.

The below information will replace the existing text on page 38 of the PDS:

If you are not satisfied with our response, you may lodge a complaint with the Australian Financial Complaints Authority:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority
GPO Box 3 Melbourne VIC 3001

For more information

btinvest.com.au

1300 881 716

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 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 objectives, 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.

ARSN 604 066 686
Issued 14 October 2017

BT Invest



BT Managed Portfolios

The Product Disclosure Statement ('PDS') is issued by
Westpac Financial Services Ltd
ABN 20 000 241 127
Australian Financial Services Licence
(AFSL) Number 233716

Call 1300 881 716
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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.

Information in this PDS is subject to change. The latest version is available at btinvest.com.au/documents or through your BT Invest account ('BT Invest online'), accessed via the Overview page of your Westpac Online Banking account at westpac.com.au.

Information that is not materially adverse may be communicated via a notice to you or by updating the information available through BT Invest online. You can obtain the updated information at any time by visiting BT Invest online or by contacting us, and we can provide you with a copy of any updated information free of charge.

The PDS contains important information that you should consider before making a decision about BT Managed Portfolios. 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. You should consult a licensed financial adviser for financial advice that's tailored to suit your personal circumstances.

BT Managed Portfolios is a non-unitised registered managed investment scheme. Westpac Financial Services Ltd ('WFSL', 'we', 'us', 'our') ABN 20 000 241 127 AFSL Number 233716 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 ('BTPS') ABN 73 095 055 208 AFSL Number 233715 to act as custodian and administrator for BT Managed Portfolios.

You can only invest under this PDS through the investor directed portfolio service ('IDPS') called 'BT Invest'. BTPS is also the operator and administrator of BT Invest and will hold your interests in BT Managed Portfolios on your behalf in that capacity. The terms 'you' and 'your' as used in the PDS refer to you as the investor through BT Invest.

When we refer in the PDS to 'your portfolio', we are referring to the portfolio of assets in BT Managed Portfolios held by BTPS in its capacity as custodian of BT Managed Portfolios.

We will manage your portfolio in accordance with the managed portfolio option you have selected from our range of professionally constructed investment strategies (each referred to in this 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 another person ('investment manager') to perform this role.

References to cash in this PDS

References are made in this PDS to your 'cash account' which is the cash account that forms part of your BT Invest account. Your cash account is used to settle your investments into and withdrawals from BT Managed Portfolios. Your cash account is a BT Invest Cash Management Account ('BT CMA') issued by Westpac Banking Corporation ('Westpac') ABN 33 007 457 141 AFSL Number 233714.

When you invest in BT Managed Portfolios part of the assets in your portfolio will comprise cash investments,

referred to in this 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 cash account that forms part of your BT Invest account.

Role of Westpac

WFSL and BTPS are subsidiaries of Westpac. Apart from your interest in 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.

Consent to be named

BTPS and Westpac have given and not withdrawn their consent to be named and to the PDS 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.

Investment managers

Each investment manager named in this PDS has given and not withdrawn their consent to the inclusion in this PDS of all information referable to them (and the managed portfolios they are engaged to manage) in the form and context in which that information appears.

Eligibility

You can only invest in BT Managed Portfolios through an IDPS operated and administered by BTPS if you've 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.



For more information on investing in BT Managed Portfolios through BT Invest, please refer to the BT Invest Investor Guide, which is available at btinvest.com.au/documents or at BT Invest online.

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BT Managed Portfolios explained

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

Investment manager

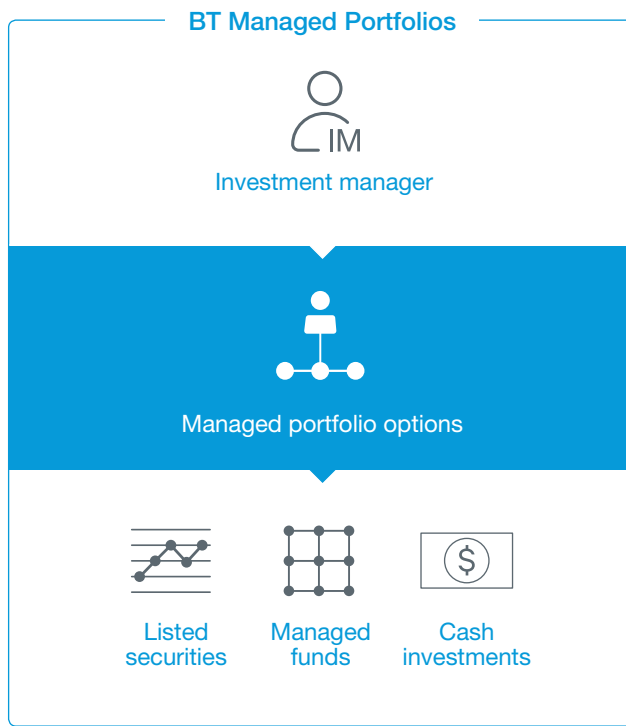
A managed portfolio option may be constructed and managed by us or an appointed investment manager.

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 either managed funds and cash investments, or listed securities and cash investments.



BT Managed Portfolios gives you access to a range of assets according to the investment strategy and objectives of the managed portfolio option you select. You:

- > can see all of the assets held in your portfolio
- > receive income on those assets (which is paid into your portfolio) and
- > may benefit from franking credits on dividends.

You also have the convenience of consolidated reporting, removing the hassle and paperwork associated with holding the assets individually.

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. The managed portfolio options available to you are set out in 'The managed portfolio options' section of this PDS.

We 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.



For more information on the rebalance process and the cash allocation of your portfolio, refer to 'Rebalancing your portfolio' in the 'How BT Managed Portfolios works' section and 'The cash allocation of your selected managed portfolio option' in the 'Investing with BT Managed Portfolios' section of this PDS.



1. Establish

**Establish your
BT Invest account**

- > You must have an account in BT Invest to invest in BT Managed Portfolios under this PDS.

For more information on setting up a BT Invest account, please refer to the BT Invest Investor Guide, which is online at btinvest.com.au/documents or at BT Invest online.



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 BT Invest administrator by:
 - making a cash investment in BT Managed Portfolios from available funds in your cash 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 initial investment amount varies depending on the managed portfolio option you select. You can satisfy the minimum by any one of the above three options.
- > 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.

For more information on:

- > Tax and government duty consequences that may arise if you transfer assets into your portfolio, please refer to 'Transferring assets into your portfolio' in the 'How BT Managed Portfolios works' section of this PDS.
- > Managed portfolio options available to you and the minimum investment amount, please refer to 'The managed portfolio options' section of this PDS.



3. Monitor

Monitor your portfolio

- > View your portfolio and access consolidated reporting on your assets at BT Invest online.
- > 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.
- > You can submit investment and withdrawal requests at BT Invest online.

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

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.

Access

Access to investment expertise

- > Our managed portfolio options give you choice and flexibility.
- > Each managed portfolio option is managed by us or an investment manager selected by us for their investment expertise and experience.
- > We undertake ongoing monitoring and review of investment managers.

Monitor

Ongoing monitoring and management

- > We and any professional investment managers we select will monitor and manage a managed portfolio option.
- > We will monitor your portfolio to keep it aligned as closely as possible to the managed portfolio option you have selected.

Vision

Know where you're invested

- > You have visibility of assets in your portfolio – you can view the quantity and value of assets held in your portfolio online as though you were investing in those assets directly.
- > You may have the tax benefits of direct ownership of listed securities if you are holding them in your portfolio.
- > Income is received into the cash allocation of your portfolio and reinvested on your behalf in accordance with the managed portfolio option you have selected.
- > You receive any tax concessions (including franking credits) where applicable on your securities.

Simplicity

Making it easier for you

- > We transact and manage the assets that make up your portfolio – reducing the administration burden for you.
 - > We provide up to date information on each managed portfolio option, outlining key details such as performance information, so that you can stay informed.
-

Investing with BT Invest

This offer of BT Managed Portfolios has been designed to be used with BT Invest.

Consolidated reporting on the assets in your portfolio is provided alongside your other investments in one convenient place at BT Invest online.



For more information on investing with BT Invest, refer to the BT Invest Investor Guide, which is online at btinvest.com.au/documents or at BT Invest online.

What are the risks?

You must consider the risks associated with BT Managed Portfolios to assess whether the potential returns justify those risks.

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 vary
- > 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 suits 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 the possibility of losing some of your money in some years). 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

Operational risk	<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 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>
Investment manager risk	<p>The risk that the investment manager will not achieve the performance objectives relating to a managed portfolio option 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 or exchange traded funds held in your portfolio.</p>
Managed portfolio option risks	<p>The likely rate of return and the risk of losing money are different in respect of each managed portfolio option, as 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>

Liquidity risk	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.
Transaction timing risk	Generally, your portfolio will not be rebalanced more frequently than once per business day. There is a risk that we may not be able to process rebalancing instructions from the investment manager immediately on receiving the instructions, leading to a potential divergence from the return on the investment manager's notional portfolio. This can occur for a variety of reasons, including illiquidity (for more information see the 'Performance' section in 'Investing with BT Managed Portfolios' in this PDS).
Counterparty risk	The risk of loss due to a counterparty (such as the broker, exchange traded fund 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.
Taxation and regulatory risk	<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 PDS 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>
Scheme risks	<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"> > closing or terminating BT Managed Portfolios or an interest in BT Managed Portfolios, or > changing the managed portfolio option's objectives, investment strategy or asset allocation.

Investment risks

Market risk	Markets are subject to a host of factors, including economic conditions, government regulations, market sentiment, local and international political events and environmental and technological issues. 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.
Currency risk	If an asset has exposure to international assets, a rise in the Australian dollar relative to the other currencies may negatively impact investment values or returns.

Asset specific risks

The assets in which your portfolio may be invested are outlined in the 'Investment universe' in the relevant managed portfolio option summary in 'The managed portfolio options' section of this PDS.

If your portfolio has exposure to domestic and international listed securities, property and fixed interest investments, those investments with the potential for the highest return in the long-term may also have the highest risk of losing money in the shorter term. There are potential risks associated with each asset class that you should consider:

- > Listed securities – A listed entity may be affected by unexpected changes in operations, its financial position, its business environment, or changes in investment management or other personnel. Further, listed shares are generally classified as more volatile 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.

International listed securities may also be affected by:
 - > Social, economic or geopolitical factors affecting the country or region
 - > Currency movements
 - > Different tax requirements in the relevant country
 - > Foreign regulatory requirements.
- > Property – Like shares, the value of property securities can rise and fall. Returns from property are also affected by fluctuations in the supply and demand for properties and consequential changes in rental levels. Increasing interest rates can decrease the value of property securities in the short term and vice versa. International property may also be affected by the matters identified above for international listed securities.
- > Fixed interest – Fixed interest securities and instruments can generate a change in capital value, or a loss, 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. In addition to the matters identified above for international listed securities, international fixed interest securities may also be affected by foreign central bank policy.
- > Cash can produce the most relatively stable investment returns when compared to other asset classes, but there is 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.

Interest rate risk

The risk that future returns may be adversely impacted by changes in interest rates.

Investing with BT Managed Portfolios

The managed portfolio options vary in their investment strategy, objective and asset targets, and may include a cash, listed security and/or managed fund allocation. You can select a managed portfolio option that best suits your own investment objectives, and the level of risk you are comfortable with.

- > Minimum initial investment amounts vary depending on the managed portfolio options you select. Please refer to 'Managed portfolio options summaries' on pages 18 to 26.
- > There is no minimum additional investment or partial withdrawal amount. Refer to 'How to withdraw' in the 'How BT Managed Portfolios works' section of this PDS for more details.
- > Transfer approved assets into your portfolio¹.
- > Transfer assets out of your portfolio².
- > Transferring assets into and out of BT Managed Portfolios generally doesn't give rise to capital gains if there are no changes in beneficial ownership³.
- > In the event that you transfer an asset into BT Managed Portfolios, and your holding in the asset is either not held in, or exceeds the target asset allocation in, the specified managed portfolio option, the rebalance process will result in the excess quantity being sold down. This is likely to give rise to capital gains, or losses, depending on the acquisition price and the current value of the relevant asset holding.

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

Any interest in BT CMA held as part of your portfolio is separate to your cash account that is part of your BT Invest account.

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 cash account.

Changes to or termination of managed portfolio options

The managed portfolio options available to you and the characteristics of a managed portfolio option (such as their investment strategy, assets held and investment manager) may change from time to time.

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

Performance

There may be differences between the asset targets and performance of your selected managed portfolio option and 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 and rounding of transactions to whole units.

Managed portfolio options that have a lower minimum investment amount may result in smaller balance portfolios. Certain smaller 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). The investment manager will seek to counter this effect by optimising the portfolio weights in the notional portfolio to try and minimise any additional cash holding. Refer to 'The managed portfolio options' section of this PDS for further information on specific managed portfolio options.

¹ Refer to 'Transferring assets into your portfolio' in the 'How BT Managed Portfolios works' section of this PDS for further information.

² Refer to 'Asset transfers out of your portfolio' in the 'How BT Managed Portfolios works' section of this PDS for further information.

³ Refer to the 'Taxation' section of this PDS for further information.

Labour standards or environmental, social or ethical considerations

Neither we, nor 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 any managed portfolio option.

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. See 'Understanding the available managed portfolio options' in 'The managed portfolio options' section of this PDS for further information.

Taxation considerations

Neither we, nor any investment manager, takes into account your individual tax situation when making changes to the managed portfolio options 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 PDS.



For more information on the managed portfolio options available to you, please refer to 'The managed portfolio options' section of this PDS.

How BT Managed Portfolios works

Processing transactions

You can submit investment or withdrawal requests through BT Invest online 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.

Investments

Additional investments in BT Managed Portfolios which are submitted prior to 10.00am Sydney time on a business day, will generally be included in the rebalance process on the same business day. If they are submitted after 10.00am 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.

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, available online.

Changing managed portfolio options

If you decide to change your selected managed portfolio option, this needs to be completed at BT Invest online. It will be processed as a withdrawal from BT Managed Portfolios (and all the assets in your portfolio will be sold down) and a new selected investment into BT Managed Portfolios (and the purchase of the assets in your new managed portfolio option as part of the rebalance process). Any assets that are in both your new and previous managed portfolio option will not be retained in your portfolio, but will instead be sold down entirely and re-purchased to the level that is consistent with the asset target of your newly selected managed portfolio option. As this may result in capital gains/losses, we recommend you seek independent tax advice prior to changing your managed portfolio option.

Transferring assets into your portfolio

You may transfer any managed funds or listed securities that you currently hold into your portfolio if the underlying issuer and law permits such a transfer, provided that the managed fund or listed security is on the list of investments available to you through BT Invest. Transfers (in-specie) can only relate to a single managed portfolio option. They can't be split between multiple managed portfolio options.

To make it easy for you, we have a process in place to help transfer your existing assets into your portfolio. You will need to complete our In-Specie Transfer Form which includes our Limited Power of Attorney so we can transfer your assets into your portfolio on your behalf. Contact us if you would like help with this process.

If your initial investment includes both a cash investment and an in-specie transfer of assets, you will need to specify the amount of the cash investment that you intend to make at the time you submit the In-Specie Transfer Form that provides the details of the assets you want to transfer. Your portfolio won't be rebalanced in line with the asset targets of your selected managed portfolio option until all cash and asset transfers are received.

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 as possible to the asset targets of your selected managed portfolio option. This may result in the realisation of taxable capital gains/losses. See the 'Taxation' section of this PDS for more information.

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

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). Some managed portfolio options may have a higher cash allocation as part of their investment strategy.

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.

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.

Rebalancing your portfolio

To rebalance your portfolio so it reflects the asset targets of your chosen managed portfolio option, we may sell assets forming part of your portfolio or buy new assets to include in your portfolio. These transactions will be reflected in the consolidated reporting available to you at BT Invest online.

Minimum trade sizes will apply through the rebalance process 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.

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.
- > 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

A withdrawal request to withdraw part of your portfolio can be submitted online, by selling a selected dollar amount from your portfolio. 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. You will be asked 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 1 business day. Withdrawal amounts will be paid to your cash 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 withdrawn from your portfolio will not be available in your cash account for at least 2 business days, as standard

settlement times apply on the assets you hold in your portfolio. Delays in selling the assets could occur due to 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 cash account, and may take 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

If you decide to withdraw your entire portfolio:

- > online 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 to your cash account, or
- > your assets can be transferred out of your portfolio, where possible.

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 cash 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 cash 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 cash account. For details on how to close your BT Invest account, please refer to the BT Invest Investor Guide.

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 as part of a withdrawal from a managed portfolio option. You should also consider the tax implications of doing so. If you wish to make an in-specie transfer of assets out of your portfolio, you must provide the name and number of securities to be transferred, the broker's name (if relevant) and the account number into which they are to be transferred. Note that you can only in-specie transfer the entire holding of a particular asset out of your account - partial transfers of holdings can't be processed. There may be costs incurred when processing transfers out of your portfolio.

In some circumstances, you may not be able to transfer some assets out of your portfolio in-specie, for example transfers for some wholesale managed funds to which retail investors can't apply directly. Contact us for further information on which assets you can transfer out of your portfolio as required.

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, we will notify you and your transaction won't be processed until your request is amended and further instruction is received from you.

The managed portfolio options

Who are the investment managers?

BT Managed Portfolios provides you with access to a range of managed portfolio options that are carefully constructed and managed by us (through BT Investment Solutions) or other professional investment managers.

Antares Capital Partners Limited

ABN	85 066 081 114
AFSL Number	234483
About the Investment Manager	<p>Antares Capital Partners Limited ('Antares') specialises in the active management of Australian shares and listed property. Antares is dedicated to providing investment solutions to both institutional and retail clients. Established in 1994, Antares aims to have a dynamic culture and quality investment team that can deliver a range of investment solutions. Antares is wholly owned by NAB Asset Management, which is the investment management business of the National Australia Bank Group of Companies.</p>
Investment philosophy and process	<p>Antares believes that the pricing of shares in the Australian sharemarket is at times inefficient.</p> <p>This mispricing occurs for a number of reasons:</p> <ul style="list-style-type: none">> investors take a short term view;> investors under or over react to changes in a company's operating environment; and> investors make incorrect generalisations about similar companies. <p>Antares believes these inefficiencies can be exploited through fundamental company analysis.</p>

BT Investment Management (Institutional) Limited

ABN	17 126 390 627
AFSL Number	316455
About the investment manager	<p>BT Investment Management (Institutional) Limited ('BTIM') follows a 'multi-boutique' business model, where teams of investment professionals focus exclusively on asset management while distribution, compliance, business and general management functions are delivered centrally. BTIM offers investors a range of investment choices including Australian shares and listed property, fixed income and cash, absolute return investments, international shares and property. To complement its in-house expertise, BTIM also partners with leading global and domestic managers.</p> <p>BTIM is a wholly owned subsidiary of BT Investment Management Limited, and is approximately 10% owned by the Westpac Group. BTIM is one of the largest ASX-listed pure investment managers (ASX:BTT).</p>
Investment philosophy and process	<p>BTIM believes that share price movements are driven by two things:</p> <ul style="list-style-type: none">> Changes in earnings potential,> Changes in the value the market places on those earnings (the rating). <p>BTIM's process applies a fundamental, in-depth and detailed approach to analysing companies, where it assesses the financial risk, business franchise and management quality of a business which in turn informs its view on the value of that company.</p>

BT Investment Solutions (Westpac Financial Services Ltd)

ABN	20 000 241 127
AFSL Number	233716
About the Investment Manager	BT Investment Solutions is the investment centre within BT Financial Group and provides investment products and solutions to customers, offering investment opportunities across a range of asset classes, including shares, property and fixed interest. The Responsible Entity, Westpac Financial Services Ltd ('WFSL'), is part of BT Financial Group. WFSL will manage some of the managed portfolios by relying on the proven capability of BT Investment Solutions.
Investment philosophy and process	The BT Investment Solutions team of investment specialists is responsible for setting the asset allocation and selecting investment strategies for the managed portfolio options. The long-term strategic asset allocations are reviewed at least annually to adapt to significant changes in market conditions. The portfolios are constructed using a range of managed funds, exchange traded funds and securities, each selected to play a specific role in terms of diversification, income and growth, within each managed portfolio.

DNR Capital Pty Ltd

ABN	72 099 071 637
AFSL Number	301658
About the Investment Manager	<p>DNR Capital Pty Ltd ('DNR Capital') is an Australian investment management company that delivers client-focused, investment solutions to institutions, advisers and individual investors.</p> <p>Founded in 2001, DNR Capital specialises in the delivery of individually and separately managed accounts in the Australian market and aims to deliver investment outperformance to investors.</p> <p>DNR Capital is an Authorised Representative of DNR AFSL Pty Ltd ABN 39 118 946 400 AFSL Number 301658.</p> <p>DNR Capital is a signatory to the Principles for Responsible Investment ('PRI').</p>
Investment philosophy and process	DNR Capital believes a focus on quality will enhance returns when it is combined with a thorough valuation overlay. DNR Capital seeks to identify good quality companies that are mispriced by overlaying DNR Capital's quality filter, referred to as the 'Quality Web', with strong valuation discipline. DNR Capital seeks to be high conviction and to invest for the medium-to-long term.

BT Managed Portfolios options list

The management costs applying to each portfolio option are set below.

OPTION NAME	APIR CODE	INVESTMENT MANAGEMENT FEE ¹	FEES AND COSTS - UNDERLYING INVESTMENTS ²		
			PERFORMANCE-RELATED FEES ²	OTHER INDIRECT COSTS	TRANSACTIONAL AND OPERATIONAL COSTS
ASSET CLASS: Australian Shares					
Antares Dividend Builder Portfolio	WFS0577AU	0.46% pa	0.00% pa	0.00% pa	0.34% pa
BT S&P/ASX 20 Shares Portfolio	WFS4751AU	0.22% pa	0.00% pa	0.00% pa	0.37% pa
BT Australian Shares Portfolio	WFS0551AU	0.69% pa	0.00% pa	0.00% pa	0.16% pa
DNR Capital Australian Equities High Conviction Portfolio	WFS0552AU	0.80% pa	0.00% pa	0.00% pa	0.21% pa
ASSET CLASS: Diversified - Defensive					
BT Conservative Portfolio	WFS0583AU	0.42% pa	0.00% pa	0.21% pa	0.02% pa
ASSET CLASS: Diversified - Moderate					
BT Moderate Portfolio	WFS0586AU	0.42% pa	0.00% pa	0.20% pa	0.02% pa
ASSET CLASS: Diversified - Balanced					
BT Balanced Portfolio	WFS0587AU	0.42% pa	0.00% pa	0.20% pa	0.02% pa
ASSET CLASS: Diversified - Growth					
BT Growth Portfolio	WFS0584AU	0.42% pa	0.00% pa	0.20% pa	0.03% pa
ASSET CLASS: Diversified - High Growth					
BT High Growth Portfolio	WFS0585AU	0.42% pa	0.00% pa	0.19% pa	0.03% pa

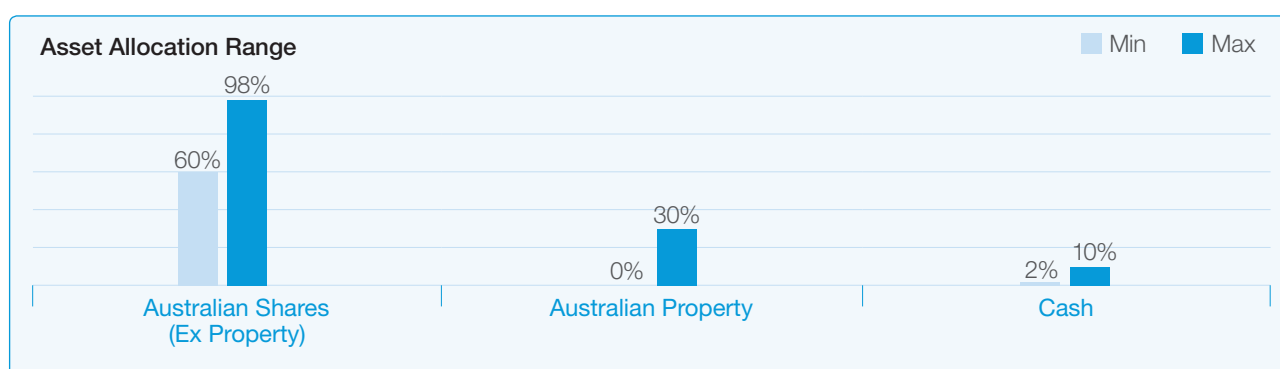
1 This fee is payable monthly to us as the responsible entity of BT Managed Portfolios, and is calculated on the average daily value of your portfolio for the month.

2 These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2017.

Managed portfolio options summaries

Antares Dividend Builder Portfolio

APIR code	WFS0577AU
Investment manager	Antares Capital Partners Ltd ('Antares')
Asset class	Australian Shares
Investment style	Income ¹
Investment universe	Predominantly securities within the S&P/ASX 200 Industrials Index
Investment objective	To deliver higher levels of dividend income, on a tax effective basis, relative to the benchmark, and to achieve moderate capital growth in a tax efficient manner.
Designed for investors who	Seek a tax effective income stream by investing in companies providing dividend growth. The portfolio may also provide some income stability in an overall investment portfolio, especially during shifting or uncertain markets.
Minimum investment horizon	5 years
Minimum investment amount	\$25,000
Indicative number of assets	15-25
Investment management fee	0.46% pa
Transactional and operational costs	- Transactional and operational costs of underlying investments 0.27% pa ² - Transaction fees 0.07% ³
Benchmark index	S&P/ASX 200 Industrials Accumulation Index
Investment strategy and approach	The portfolio provides access to a diversified range of high yielding Australian shares that are expected to grow their dividends over time, with an emphasis on securing franked income and minimising share turnover to keep net realised capital gains low.

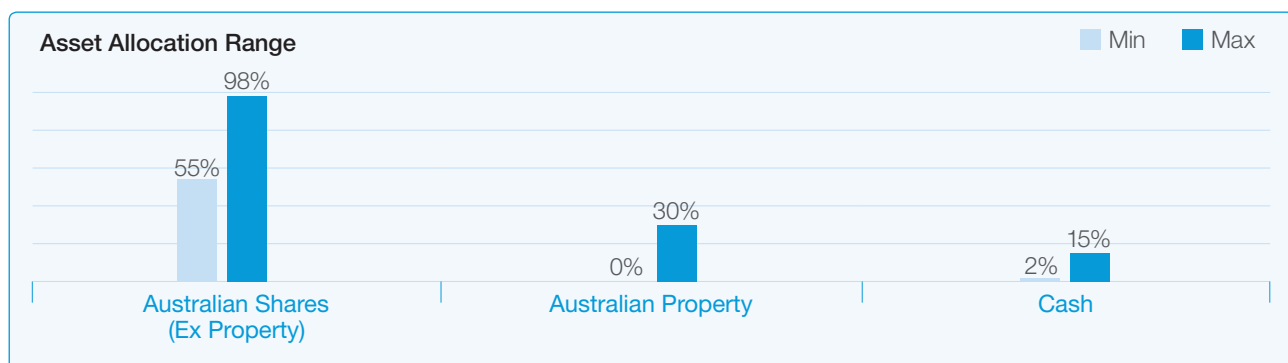


For more information refer to the portfolio Fact Sheet at btinvest.com.au/documents.

- ¹ If you select this managed portfolio option, any income from the assets in your portfolio will be paid into the cash allocation of your portfolio and is subject to the rebalancing process.
- ² These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2017.
- ³ This amount is an estimate of the transaction fees in relation to the 12 months to 30 June 2017.

BT S&P/ASX 20 Shares Portfolio

APIR Code	WFS4751AU
Investment manager	BT Investment Solutions ¹
Asset class	Australian Shares
Investment style	Index
Investment universe	Securities within the S&P/ASX 20 Index
Investment objective	To deliver similar returns ² to the S&P/ASX 20 Index before fees
Designed for investors who	Seek a long term investment strategy focused on capital growth with some income via dividends and franking credits and have a high tolerance to risk.
Minimum investment horizon	5 years
Minimum investment amount	\$5,000
Indicative number of assets	20
Investment management fee	0.22% pa
Transactional and operational costs	- Transactional and operational costs of underlying investments 0.26% pa ³ - Transaction fees 0.11% ⁴
Benchmark index	S&P/ASX 20 Accumulation Index
Investment strategy and approach	<p>The portfolio invests in the 20 largest Australian companies (by market capitalisation) listed on the Australian Stock Exchange ('ASX'). The portfolio is based on the composition of the S&P/ASX 20 Index and will typically be rebalanced on a quarterly basis or more frequently to account for specific corporate actions and dividends, or to minimise differences between the portfolio and the benchmark. The portfolio is expected to achieve a similar performance to the benchmark but may differ because it cannot exactly replicate the composition of the benchmark.</p> <p>Due to minimum transaction size limits and the rounding of transactions to whole securities, smaller balance portfolios can hold up to the maximum cash weight (as set out under the Asset Allocation Range below) rather than the minimum specified by the Investment Manager. However, the Investment Manager will attempt to optimise the portfolio to minimise any excess cash holding.</p>

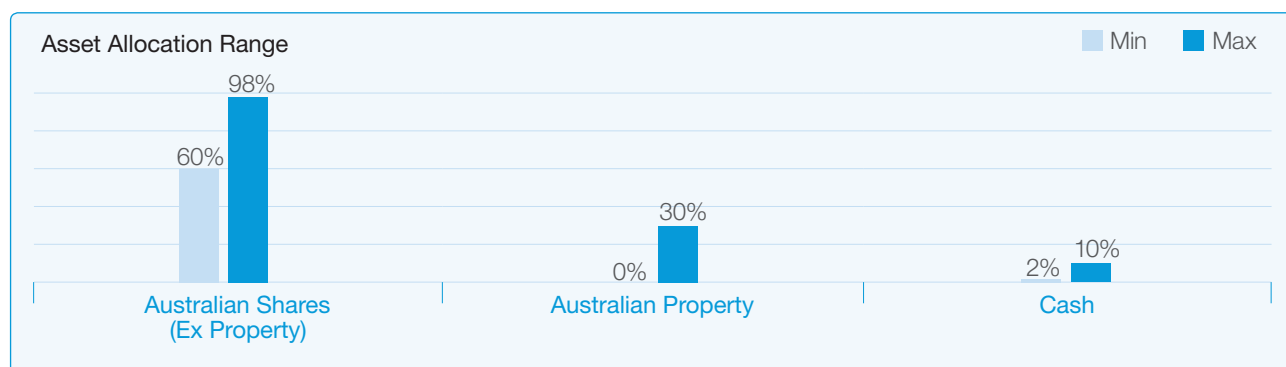


For more information refer to the portfolio Fact Sheet at btinvest.com.au/documents.

- 1 WFSL will manage this portfolio by relying on BT Investment Solutions (see page 16).
- 2 This managed portfolio option has a minimum investment amount of \$5,000. Smaller balance portfolios with a high cash weight may result in returns that have a greater variation from the S&P/ASX 20 index. For further information on how certain smaller balance portfolios may impact performance, see the 'Performance' section in 'Investing with BT Managed Portfolios' in this PDS.
- 3 These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2017.
- 4 This amount is an estimate of the transaction fees in relation to the 12 months to 30 June 2017.

BT Australian Shares Portfolio

APIR Code	WFS0551AU
Investment manager	BT Investment Management (Institutional) Limited ('BTIM')
Asset class	Australian Shares
Investment style	Active
Investment universe	Predominantly securities within the S&P/ASX 300 Index
Investment objective	To deliver outperformance relative to the benchmark over a rolling three year period with a primary focus on capital growth.
Designed for investors who	Seek a broad based, active Australian share portfolio utilising a fundamental company research approach where outperformance is driven primarily by share selection.
Minimum investment horizon	5 years
Minimum investment amount	\$25,000
Indicative number of assets	15-35
Investment management fee	0.69% pa
Transactional and operational costs	- Transactional and operational costs of underlying investments 0.11% pa ¹ - Transaction fees 0.05% ²
Benchmark index	S&P/ASX 300 Accumulation Index
Investment strategy and approach	BTIM believes no one 'type' of share has a monopoly on outperformance so the portfolio is constructed to ensure no particular style or theme predominates.



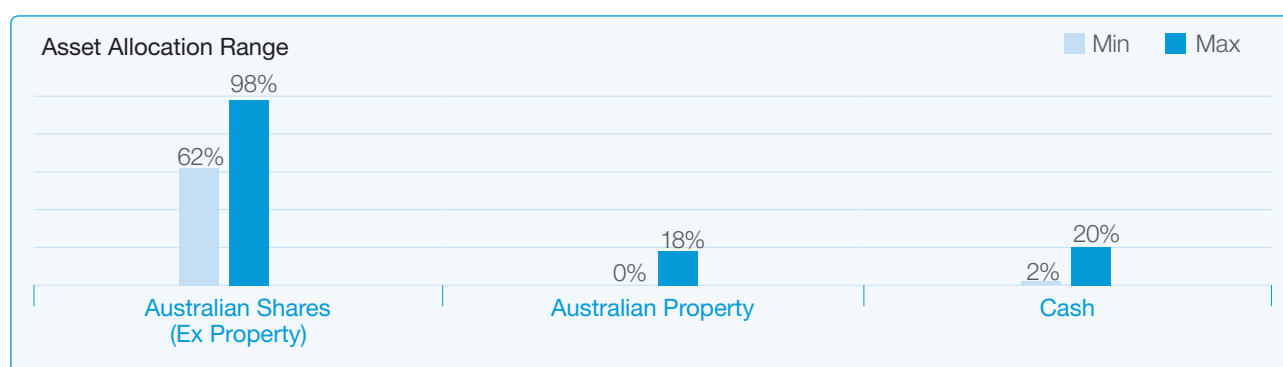
For more information refer to the portfolio Fact Sheet at btinvest.com.au/documents.

¹ These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2017.

² This amount is an estimate of the transaction fees in relation to the 12 months to 30 June 2017.

DNR Capital Australian Equities High Conviction Portfolio

APIR code	WFS0552AU
Investment manager	DNR Capital Pty Ltd ('DNR Capital')
Asset class	Australian Shares
Investment style	Active
Investment universe	Predominantly securities within the S&P/ASX 200 Index
Investment objective	To deliver outperformance relative to the benchmark by 4% pa before fees over a rolling three year period.
Designed for investors who	Seek a long-term investment focused on achieving growth, with less focus on generating excess income. The investor is prepared to accept higher volatility in pursuit of higher growth.
Minimum investment horizon	5 years
Minimum investment amount	\$25,000
Indicative number of assets	15-30
Investment management fee	0.80% pa
Transactional and operational costs	- Transactional and operational costs of underlying investments 0.15% pa ¹ - Transaction fees 0.06% ²
Benchmark index	S&P/ASX 200 Accumulation Index
Investment strategy and approach	<p>DNR Capital's share selection process takes into consideration comprehensive fundamental company analysis and focuses on investing in quality companies at reasonable prices.</p> <p>The portfolio construction process is influenced by a macroeconomic appraisal and also considers the risk characteristics of the portfolio such as share and sector correlations.</p> <p>The investment strategy of the portfolio is intended to result in a portfolio that is high conviction and invests for the medium-to-long term.</p>



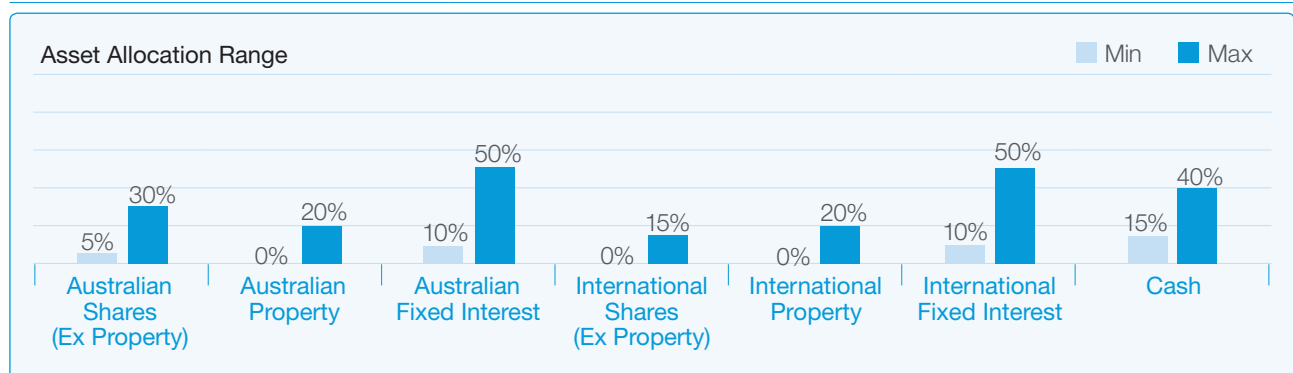
For more information refer to the portfolio Fact Sheet at btinvest.com.au/documents.

¹ These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2017.

² This amount is an estimate of the transaction fees in relation to the 12 months to 30 June 2017.

BT Conservative Portfolio

APIR Code	WFS0583AU																
Investment manager	BT Investment Solutions ¹																
Asset class	Diversified - Defensive																
Investment style	Index																
Investment universe	Australian registered managed funds and exchange traded funds																
Investment objective	To deliver predominantly income and some growth returns with a low probability of loss over the short term. The portfolio aims to track the overall return of a diversified portfolio of underlying investments.																
Designed for investors who	Seek a transparent, cost effective diversified portfolio of strategies, consistent with the risk profile of the portfolio.																
Minimum investment horizon	3 years																
Minimum investment amount	\$900																
Indicative number of assets	5-10																
Investment management fee	0.42% pa																
Fees and costs - underlying investments²	- Performance-related fees 0.00% pa - Other indirect costs 0.21% pa - Net transactional and operational costs 0.02% pa																
Benchmark index	<p>Composite of the underlying investments' indices based on the strategic asset allocation to those underlying investments:</p> <table> <thead> <tr> <th>Asset class</th><th>Benchmark</th></tr> </thead> <tbody> <tr> <td>Australian Shares (Ex Property)</td><td>S&P/ASX 300 Accumulation Index</td></tr> <tr> <td>Australian Property</td><td>S&P/ASX 300 A-REIT Accumulation Index</td></tr> <tr> <td>Australian Fixed Interest</td><td>Bloomberg AusBond Composite 0+ Yr IndexSM</td></tr> <tr> <td>International Shares (Ex Property)</td><td>MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars</td></tr> <tr> <td>International Property</td><td>FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged</td></tr> <tr> <td>International Fixed Interest</td><td>Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars</td></tr> <tr> <td>Cash</td><td>Bloomberg AusBond Bank Bill IndexSM</td></tr> </tbody> </table>	Asset class	Benchmark	Australian Shares (Ex Property)	S&P/ASX 300 Accumulation Index	Australian Property	S&P/ASX 300 A-REIT Accumulation Index	Australian Fixed Interest	Bloomberg AusBond Composite 0+ Yr Index SM	International Shares (Ex Property)	MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars	International Property	FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged	International Fixed Interest	Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars	Cash	Bloomberg AusBond Bank Bill Index SM
Asset class	Benchmark																
Australian Shares (Ex Property)	S&P/ASX 300 Accumulation Index																
Australian Property	S&P/ASX 300 A-REIT Accumulation Index																
Australian Fixed Interest	Bloomberg AusBond Composite 0+ Yr Index SM																
International Shares (Ex Property)	MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars																
International Property	FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged																
International Fixed Interest	Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars																
Cash	Bloomberg AusBond Bank Bill Index SM																
Investment strategy and approach	The portfolio has exposure to a diverse mix of assets with a majority (about 70%) in the defensive assets of cash and fixed interest and a modest investment (about 30%) in growth assets, such as shares and listed property securities. The portfolio's exposure to these asset classes will be obtained primarily by investing directly into index funds or exchange traded funds.																



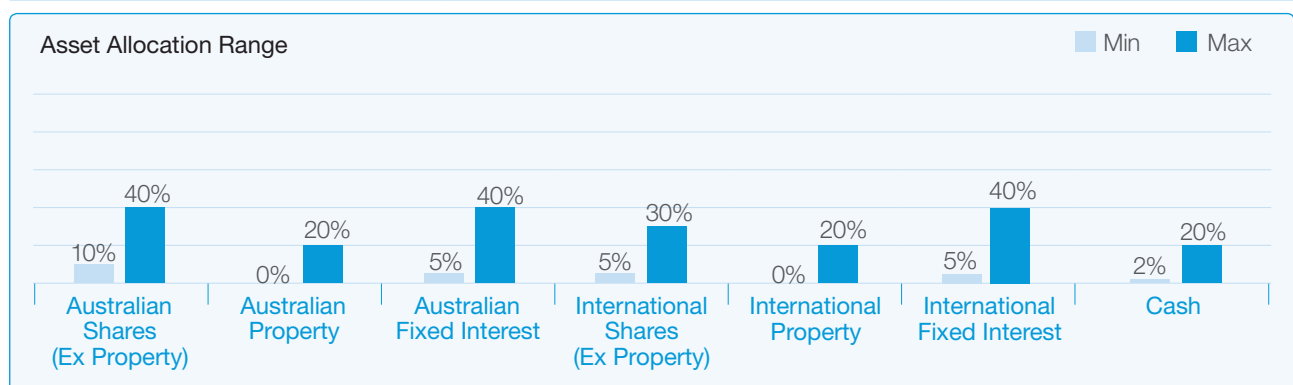
For more information refer to the portfolio Fact Sheet at btinvest.com.au/documents.

¹ WFSL will manage this portfolio by relying on BT Investment Solutions (see page 16).

² These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2017.

BT Moderate Portfolio

APIR code	WFS0586AU																
Investment manager	BT Investment Solutions ¹																
Asset class	Diversified - Moderate																
Investment style	Index																
Investment universe	Australian registered managed funds and exchange traded funds																
Investment objective	To deliver a combination of predominantly income and stable growth returns. The portfolio aims to track the overall return of a diversified portfolio of underlying investments.																
Designed for investors who	Seek a transparent, cost effective diversified portfolio of strategies, consistent with the risk profile of the portfolio.																
Minimum investment horizon	4 years																
Minimum investment amount	\$900																
Indicative number of assets	5-10																
Investment management fee	0.42% pa																
Fees and costs - underlying investments²	- Performance-related fees 0.00% pa - Other indirect costs 0.20% pa - Net transactional and operational costs 0.02% pa																
Benchmark index	Composite of the underlying investments' indices based on the strategic asset allocation to those underlying investments: <table> <thead> <tr> <th>Asset class</th><th>Benchmark</th></tr> </thead> <tbody> <tr> <td>Australian Shares (Ex Property)</td><td>S&P/ASX 300 Accumulation Index</td></tr> <tr> <td>Australian Property</td><td>S&P/ASX 300 A-REIT Accumulation Index</td></tr> <tr> <td>Australian Fixed Interest</td><td>Bloomberg AusBond Composite 0+ Yr IndexSM</td></tr> <tr> <td>International Shares (Ex Property)</td><td>MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars</td></tr> <tr> <td>International Property</td><td>FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged</td></tr> <tr> <td>International Fixed Interest</td><td>Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars</td></tr> <tr> <td>Cash</td><td>Bloomberg AusBond Bank Bill IndexSM</td></tr> </tbody> </table>	Asset class	Benchmark	Australian Shares (Ex Property)	S&P/ASX 300 Accumulation Index	Australian Property	S&P/ASX 300 A-REIT Accumulation Index	Australian Fixed Interest	Bloomberg AusBond Composite 0+ Yr Index SM	International Shares (Ex Property)	MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars	International Property	FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged	International Fixed Interest	Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars	Cash	Bloomberg AusBond Bank Bill Index SM
Asset class	Benchmark																
Australian Shares (Ex Property)	S&P/ASX 300 Accumulation Index																
Australian Property	S&P/ASX 300 A-REIT Accumulation Index																
Australian Fixed Interest	Bloomberg AusBond Composite 0+ Yr Index SM																
International Shares (Ex Property)	MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars																
International Property	FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged																
International Fixed Interest	Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars																
Cash	Bloomberg AusBond Bank Bill Index SM																
Investment strategy and approach	The portfolio has exposure to a mix of defensive assets (around 50%) such as cash and fixed interest and growth assets (around 50%) such as shares and listed property securities. The portfolio's exposure to these asset classes will be obtained primarily by investing directly into index funds or exchange traded funds.																



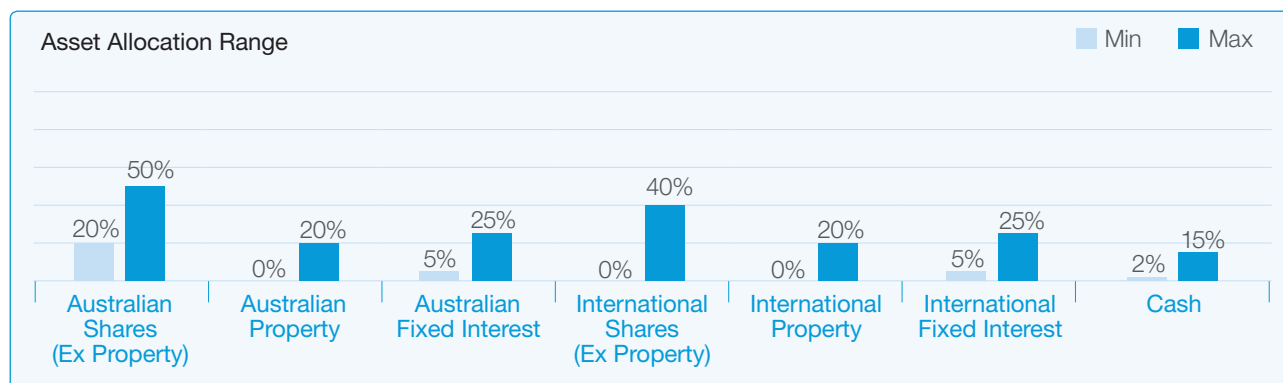
For more information refer to the portfolio Fact Sheet at btinvest.com.au/documents.

¹ WFSL will manage this portfolio by relying on BT Investment Solutions (see page 16).

² These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2017.

BT Balanced Portfolio

APIR code	WFS0587AU																
Investment manager	BT Investment Solutions ¹																
Asset class	Diversified - Balanced																
Investment style	Index																
Investment universe	Australian registered managed funds and exchange traded funds																
Investment objective	To deliver predominantly moderate growth and some income returns. The portfolio aims to track the overall return of a diversified portfolio of underlying investments.																
Designed for investors who	Seek a transparent, cost effective diversified portfolio of strategies, consistent with the risk profile of the portfolio.																
Minimum investment horizon	5 years																
Minimum investment amount	\$900																
Indicative number of assets	5-10																
Investment management fee	0.42% pa																
Fees and costs - underlying investments²	- Performance-related fees 0.00% pa - Other indirect costs 0.20% pa - Net transactional and operational costs 0.02% pa																
Benchmark index	Composite of the underlying investments' indices based on the strategic asset allocation to those underlying investments: <table> <thead> <tr> <th>Asset class</th><th>Benchmark</th></tr> </thead> <tbody> <tr> <td>Australian Shares (Ex Property)</td><td>S&P/ASX 300 Accumulation Index</td></tr> <tr> <td>Australian Property</td><td>S&P/ASX 300 A-REIT Accumulation Index</td></tr> <tr> <td>Australian Fixed Interest</td><td>Bloomberg AusBond Composite 0+ Yr IndexSM</td></tr> <tr> <td>International Shares (Ex Property)</td><td>MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars</td></tr> <tr> <td>International Property</td><td>FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged</td></tr> <tr> <td>International Fixed Interest</td><td>Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars</td></tr> <tr> <td>Cash</td><td>Bloomberg AusBond Bank Bill IndexSM</td></tr> </tbody> </table>	Asset class	Benchmark	Australian Shares (Ex Property)	S&P/ASX 300 Accumulation Index	Australian Property	S&P/ASX 300 A-REIT Accumulation Index	Australian Fixed Interest	Bloomberg AusBond Composite 0+ Yr Index SM	International Shares (Ex Property)	MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars	International Property	FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged	International Fixed Interest	Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars	Cash	Bloomberg AusBond Bank Bill Index SM
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Australian Shares (Ex Property)	S&P/ASX 300 Accumulation Index																
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International Fixed Interest	Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars																
Cash	Bloomberg AusBond Bank Bill Index SM																
Investment strategy and approach	The portfolio has exposure to a diverse mix of assets with both income-producing (around 30%) of cash and fixed interest, and growth assets (around 70%) including shares and listed property securities. The portfolio's exposure to these asset classes will be obtained primarily by investing directly into index funds or exchange traded funds.																



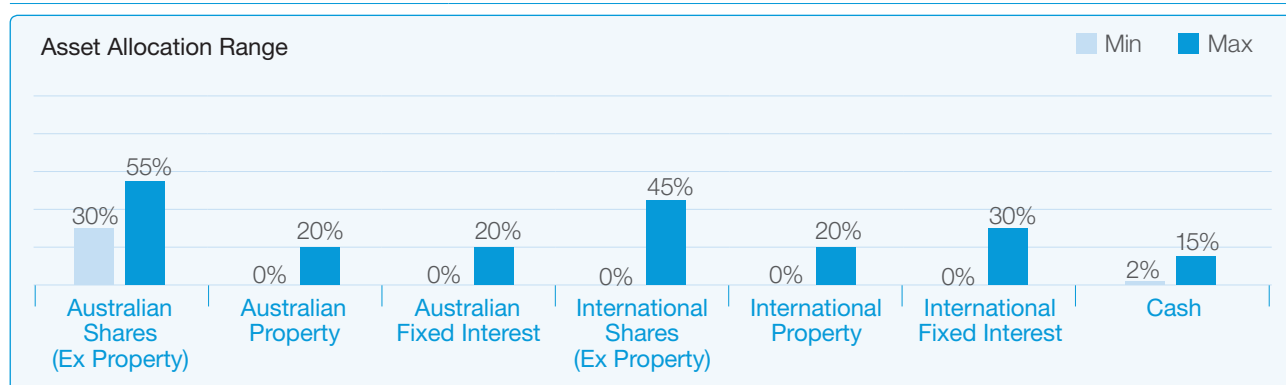
For more information refer to the portfolio Fact Sheet at btinvest.com.au/documents.

¹ WFSL will manage this portfolio by relying on BT Investment Solutions (see page 16).

² These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2017.

BT Growth Portfolio

APIR code	WFS0584AU																
Investment manager	BT Investment Solutions ¹																
Asset class	Diversified - Growth																
Investment style	Index																
Investment universe	Australian registered managed funds and exchange traded funds																
Investment objective	To deliver predominantly moderate to high growth and some income returns. The portfolio aims to track the overall return of a diversified portfolio of underlying investments.																
Designed for investors who	Seek a transparent, cost effective diversified portfolio of strategies, consistent with the risk profile of the portfolio.																
Minimum investment horizon	6 years																
Minimum investment amount	\$900																
Indicative number of assets	5-10																
Investment management fee	0.42% pa																
Fees and costs - underlying investments²	- Performance-related fees 0.00% pa - Other indirect costs 0.20% pa - Net transactional and operational costs 0.03% pa																
Benchmark index	Composite of the underlying investments' indices based on the strategic asset allocation to those underlying investments: <table> <thead> <tr> <th>Asset class</th><th>Benchmark</th></tr> </thead> <tbody> <tr> <td>Australian Shares (Ex Property)</td><td>S&P/ASX 300 Accumulation Index</td></tr> <tr> <td>Australian Property</td><td>S&P/ASX 300 A-REIT Accumulation Index</td></tr> <tr> <td>Australian Fixed Interest</td><td>Bloomberg AusBond Composite 0+ Yr IndexSM</td></tr> <tr> <td>International Shares (Ex Property)</td><td>MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars</td></tr> <tr> <td>International Property</td><td>FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged</td></tr> <tr> <td>International Fixed Interest</td><td>Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars</td></tr> <tr> <td>Cash</td><td>Bloomberg AusBond Bank Bill IndexSM</td></tr> </tbody> </table>	Asset class	Benchmark	Australian Shares (Ex Property)	S&P/ASX 300 Accumulation Index	Australian Property	S&P/ASX 300 A-REIT Accumulation Index	Australian Fixed Interest	Bloomberg AusBond Composite 0+ Yr Index SM	International Shares (Ex Property)	MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars	International Property	FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged	International Fixed Interest	Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars	Cash	Bloomberg AusBond Bank Bill Index SM
Asset class	Benchmark																
Australian Shares (Ex Property)	S&P/ASX 300 Accumulation Index																
Australian Property	S&P/ASX 300 A-REIT Accumulation Index																
Australian Fixed Interest	Bloomberg AusBond Composite 0+ Yr Index SM																
International Shares (Ex Property)	MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars																
International Property	FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged																
International Fixed Interest	Bloomberg Barclays Global Aggregate Bond Index (Fully Hedged) in Australian Dollars																
Cash	Bloomberg AusBond Bank Bill Index SM																
Investment strategy and approach	The portfolio has exposure to a diverse mix of assets with an emphasis (about 85%) on the growth oriented assets of Australian and international shares, and investment (about 15%) in the defensive assets of cash and fixed interest providing some income and stability of returns. The portfolio's exposure to these asset classes will be obtained primarily by investing directly into index funds or exchange traded funds.																



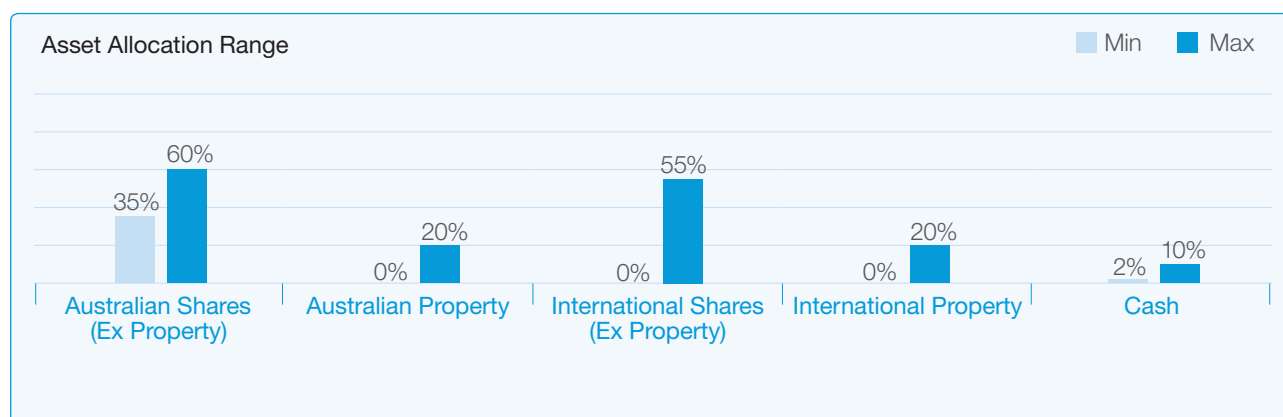
For more information refer to the portfolio Fact Sheet at btinvest.com.au/documents.

¹ WFSL will manage this portfolio by relying on BT Investment Solutions (see page 16).

² These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2017.

BT High Growth Portfolio

APIR code	WFS0585AU												
Investment manager	BT Investment Solutions ¹												
Asset class	Diversified - High Growth												
Investment style	Index												
Investment universe	Australian registered managed funds and exchange traded funds												
Investment objective	To deliver predominantly high growth returns. The portfolio aims to track the overall return of a diversified portfolio of underlying investments.												
Designed for investors who	Seek a transparent, cost effective diversified portfolio of strategies, consistent with the risk profile of the portfolio.												
Minimum investment horizon	7 years												
Minimum investment amount	\$900												
Indicative number of assets	3-7												
Investment management fee	0.42% pa												
Fees and costs - underlying investments²	- Performance-related fees 0.00% pa - Other indirect costs 0.19% pa - Net transactional and operational costs 0.03% pa												
Benchmark index	Composite of the underlying investments' indices based on the strategic asset allocation to those underlying investments: <table> <tr> <th>Asset class</th><th>Benchmark</th></tr> <tr> <td>Australian Shares (Ex Property)</td><td>S&P/ASX 300 Accumulation Index</td></tr> <tr> <td>Australian Property</td><td>S&P/ASX 300 A-REIT Accumulation Index</td></tr> <tr> <td>International Shares (Ex Property)</td><td>MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars</td></tr> <tr> <td>International Property</td><td>FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged</td></tr> <tr> <td>Cash</td><td>Bloomberg AusBond Bank Bill IndexSM</td></tr> </table>	Asset class	Benchmark	Australian Shares (Ex Property)	S&P/ASX 300 Accumulation Index	Australian Property	S&P/ASX 300 A-REIT Accumulation Index	International Shares (Ex Property)	MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars	International Property	FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged	Cash	Bloomberg AusBond Bank Bill Index SM
Asset class	Benchmark												
Australian Shares (Ex Property)	S&P/ASX 300 Accumulation Index												
Australian Property	S&P/ASX 300 A-REIT Accumulation Index												
International Shares (Ex Property)	MSCI World ex Australia (Standard) Index (Net Dividends) in Australian Dollars												
International Property	FTSE EPRA/NAREIT Developed ex Australia Rental Index, Australian Dollar Hedged												
Cash	Bloomberg AusBond Bank Bill Index SM												
Investment strategy and approach	The portfolio primarily has exposure to growth assets such as Australian shares, international shares and listed property securities. The portfolio's exposure to these asset classes will be obtained primarily by investing directly into index funds or exchange traded funds.												



For more information refer to the portfolio Fact Sheet at btinvest.com.au/documents.

¹ WFSL will manage this portfolio by relying on BT Investment Solutions (see page 16).

² These fees and costs are weighted averages based on the estimated fees and costs for the relevant underlying investments in relation to the 12 months to 30 June 2017.

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.

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.

Diversified

To avoid the risk of having 'all your eggs in one basket', investment professionals developed the concept of spreading investments over a number of asset classes like shares, property, fixed interest and cash. With a diverse 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. Managed portfolio options are risk-based and designed to align to the acknowledged wealth industry investor profiles, covering most stages of their wealth journey.

Defensive – This profile is designed for investors seeking a relatively low-risk investment. They don't want to aim for higher returns if it means their portfolio may decrease significantly in value. It is also suitable for investors who have a short term investment time frame, as they may need access to their funds within three years. Capital is not guaranteed and there is some risk of a portfolio decreasing in value, although this is substantially reduced for investments over the recommended minimum investment horizon.

Moderate – This profile is designed for investors seeking an investment which balances risk and return. It is also suitable for investors who have a short term investment time frame, as they may need access to their funds within three years. Capital is not guaranteed and there may be fluctuations and some negative returns from year to year. There is a risk of a portfolio decreasing in value although this is substantially reduced for investments over the recommended minimum investment horizon.

Balanced – This option is designed for investors seeking an investment which balances risk and return. They are prepared to invest for a long term and tolerate periods of negative returns provided they may benefit from higher returns. Capital is not guaranteed and there will be large fluctuations and some negative returns from year to year. There is a significant risk of a portfolio decreasing in value in the short term although this is substantially reduced for investments over the recommended minimum investment horizon.

Growth – This option is designed for investors seeking a higher return investment. They are prepared to invest for a long term and tolerate extended periods of negative returns provided they may benefit from higher returns. Capital is not guaranteed and there will be large fluctuations and some negative returns from year to year. There is a significant risk of a portfolio decreasing in value in the short term although this is substantially reduced for investments over the recommended minimum investment horizon.

High Growth – This option is designed for investors prepared to take on greater risk seeking a higher return investment. They are prepared to invest for a long term and tolerate extended periods of negative returns provided they may benefit from higher returns. Capital is not guaranteed and there will be larger fluctuations and a greater chance of negative returns from year to year. There is a significant risk of a portfolio decreasing in value in the short term although this is substantially reduced for investments over the recommended minimum investment horizon.



For more information on asset specific risks, please refer to the 'Investment risks' section in this PDS.

Investment Style

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

Income

Investing for income aims to achieve exposure to investments that pay high dividends. Using franking credits can also increase the value of dividends.

Note, however, all income received from assets in your portfolio will be paid into the cash allocation of your portfolio and will be reinvested as part of the rebalancing process.

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.

Investment Strategy, Approach and Investment Objectives

These are the key themes that describe why the managed portfolio option has been constructed and how the option is being managed by the investment manager. These factors guide the approach of the Investment Manager and provide investors with an insight into what they can expect when they select the managed portfolio option.

What are the fees & 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 contribution fees and management costs where applicable.

Ask the fund or your financial adviser.

TO FIND OUT MORE

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

This section of the document shows fees and other costs that you may be charged for investing in BT Managed Portfolios. These fees and costs may be deducted from your money, from the returns on your investment or from your portfolio as a whole. Taxes are set out in another part of this PDS.

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 particular managed portfolio options are set out on page 17. All fees are in Australian dollars.

TYPE OF FEE OR COST ¹	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of BT Managed Portfolios		
Establishment fee <i>The fee to open your investment</i>	Nil	Not applicable
Contribution fee <i>The fee on each amount contributed to your investment</i>	Nil	Not applicable
Withdrawal fee <i>The fee on each amount you take out of your investment</i>	Nil	Not applicable
Exit fee <i>The fee to close your investment</i>	Nil	Not applicable
Management costs - The fees and costs for managing your investment²		
The amount you pay for specific managed portfolio options is shown on page 17.		
Investment management fee	The investment management fee for your portfolio will depend on the managed portfolio option you have selected. Each managed portfolio has a separate investment management fee which may range from 0.22% to 0.80% per annum of the total value invested. Please refer to the BT Managed Portfolios options list on page 17 for more information.	<ul style="list-style-type: none"> > The investment management fee is calculated based on the average daily value of your portfolio for the month. > The investment management fee is deducted and paid to us from the cash allocation of your portfolio on a monthly basis at the end of each month.
Indirect costs³	<p>Performance-related fees</p> <p>Each managed portfolio option may have weighted average performance-related fees. Estimated weighted average, performance-related fees for all managed portfolio options are 0.00% per annum.</p> <p>Other Indirect Costs</p> <p>The weighted average of each managed portfolio option's estimated other indirect costs range from 0% to 0.21% per annum.</p> <p>The applicable performance-related fees and other indirect costs relating to each managed portfolio option are set out on pages 18 to 26.</p>	<ul style="list-style-type: none"> > The calculation of fees and costs in relation to an underlying managed fund or exchange traded fund, and timing of payment, will vary between the underlying managed funds or exchange traded funds. > The indirect costs, including any performance-related fees payable in connection with an underlying managed fund or exchange traded fund are not directly charged or retained by us. These indirect costs are paid from the assets of the relevant underlying managed funds or exchange traded funds, and will generally be reflected in the unit prices of those underlying managed funds or the closing market prices of the exchange traded funds that are held in your portfolio.
Service fees		
Switching fee <i>The fee for changing investment options</i>	Nil	Not applicable

1 Except where otherwise stated, all fees in this PDS are expressed as inclusive of any GST and are net of any reduced input tax credits ('RITCs'), which may be claimed.

2 Additional fees may apply. Refer to 'Additional explanation of fees and costs' in this section for more information.

3 The performance-related fees and other indirect costs are estimates in relation to the 12 months to 30 June 2017. The performance-related fees shown are not a representation of likely future performance.

Example of annual fees and costs for a balanced managed portfolio option or other managed portfolio option

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

EXAMPLE — BT BALANCED PORTFOLIO		BALANCE OF \$50,000¹ WITH A CONTRIBUTION OF \$5,000¹ DURING THE YEAR
Contribution fee	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management Costs		
- Investment management fee	0.42%	And , for every \$50,000 you have in the BT Balanced Portfolio you will be charged \$310 each year.
- Performance-related fees	0.00% ²	
- Other indirect costs	0.20% ²	
Equals Cost of BT Balanced Portfolio ³		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 of \$310³ What it costs you will depend on the investment option you choose and the fees you negotiate.

Additional explanation of fees and costs

Changes in fees and costs

We have the right to introduce fees and to begin reimbursing ourselves for any expenses from your portfolio (including performance fees payable to an investment manager), but we will give you 30 days' notice prior to doing so. The constitution provides for the responsible entity to 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.

Management costs

Management costs for each managed portfolio option include the investment management fee, any performance-related fees and other indirect costs.

Management costs do not include transactional and operational costs ie costs associated with investing (including in underlying funds), some of which may be recovered through buy/sell spreads applied by underlying fund issuers.

Investment management fee

We are entitled to be paid an investment management fee as responsible entity of BT Managed Portfolios. The investment management fee is charged as a percentage of the net asset value of the relevant portfolio option you're invested in. It is accrued daily and paid from the cash allocation of the relevant portfolio option monthly.

We're entitled to be reimbursed from the scheme for

authorised expenses incurred in the management and administration of managed portfolio options. Currently routine scheme expenses, including registry, custodian, accounting, audit and legal expenses (excluding transaction costs), are paid out of our investment management fee. If extraordinary or unusual expenses are incurred, we may choose to recover costs from the scheme.

Indirect costs

Indirect costs are determined as a percentage of the net asset value of the relevant managed portfolio option you're invested in. Indirect costs are an estimate of the costs incurred in managing the managed portfolio's assets which directly or indirectly reduce the return on the managed portfolio. These costs are not directly charged or retained by us. These costs are generally deducted from the assets of an underlying managed fund or exchange traded fund, where applicable.

Where the managed portfolio invests in an underlying managed fund or exchange traded fund, we have relied on the information provided by the issuers of those underlying funds and have made reasonable enquiries where necessary to determine the appropriateness of the indirect costs provided.

The amount included in the table of fees and costs constitutes an estimate of the indirect costs incurred in connection with managing the underlying assets of the managed portfolio based on the information for the 12 months to 30 June 2017. These indirect costs are reflected in the unit price of the underlying managed funds or the closing market prices of the exchange traded funds that are held in your portfolio and are an additional cost to you.

¹ This amount is prescribed by legislation for use in this example. The example above 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 management costs are calculated using the \$50,000 balance only.

² The performance-related fees and other indirect costs are an estimate based on the fees and costs for the BT Balanced Portfolio for the year ended 30 June 2017. The performance-related fees shown are not a representation of likely future performance.

³ Additional fees may apply. Refer to 'Additional explanation of fees and costs' in this section for more information.

Indirect costs include:

- **Performance-related fees:** Where an investment manager manages a part of the managed portfolio's assets (for example through an underlying managed fund or exchange traded fund), and charges a performance fee, this is called a performance-related fee and is included in indirect costs.

Generally performance-related fees will only apply and be charged when specific performance targets are met. There is no guarantee that a performance-related fee will be paid, and the actual fees paid are likely to vary.

Generally, a performance-related fee will only be charged in respect of an underlying managed fund or exchange traded fund when the investment return outperforms either the relevant benchmark or a specific performance hurdle return. However, usually, any prior underperformance must also be made good before the underlying investment manager qualifies for a performance-related fee.

The performance-related fee rate typically ranges from 15%–30% of the outperformance over the relevant benchmark or performance hurdle and is generally paid at least annually (performance period). Performance-related fees affect the underlying fund's return and therefore the value of your investment in the fund. The performance-related fee may still be payable where the overall performance of the underlying managed fund or exchange traded fund has declined over the performance period. This is because one or more underlying investment managers may have outperformed the benchmark or their performance hurdle over that period.

Where an underlying investment manager's cumulative performance for a period is less than the relevant benchmark or performance hurdle, this underperformance may be carried forward to the following period and no further performance-related fees will be either reflected in the unit price or paid in respect of the underlying investment manager until the underperformance is recouped.

The more exposure a managed portfolio has to an underlying investment that charges performance-related fees, the greater the potential impact that this will have on your investment in that managed portfolio.

- **Other indirect costs:** The managed portfolio option may incur other indirect costs via investments through underlying managed funds or exchange traded funds where applicable. Typical indirect costs include an underlying managed fund's or exchange traded fund's costs which have been included in the valuation of the underlying managed fund or exchange traded fund.

Other indirect costs will also be incurred in respect of the cash allocation of each managed portfolio option.

Transactional and operational costs

- **Transaction fees:** We charge a transaction fee in relation to the buying and selling of listed securities and exchange traded funds in your portfolio. This fee will cover the costs of processing and settling the transactions, including the brokerage payable to the appointed broker. 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. In some circumstances, we may not need to process a transaction as it may be possible to net the transaction against transactions for other investors. In these circumstances, we will still charge the transaction fee.
- **Buy/sell spread:** The amount of buy/sell spread varies, depending on the investments used in the managed portfolio option you have selected. For managed funds, the buy/sell spread is charged by the issuer in connection with an application for or redemption of units in those funds. It is paid into the relevant underlying managed fund and not to the issuer and is applied before the unit price is provided to us. If the managed portfolio option invests in listed securities or exchange traded funds, generally no buy/sell spreads will apply to these investments but a transaction fee will apply.

Typical buy/sell spreads are estimated to be between 0% and 0.70% but may fall outside this range. For example, if \$10,000 is invested in an underlying managed fund, at the maximum buy/sell spread of 0.70%, you will generally incur a cost of \$70 at the time you invest. The buy/sell spread is an additional cost to you. Please contact us if you require further information on the buy/sell spread applicable to the underlying managed funds.

- **Other transactional and operational costs:** In relation to an underlying managed fund, where transactional and operational costs arise from trading activity to execute the relevant fund's investment strategy, and are not the result of applications into and redemptions from the relevant fund, these costs may not be recouped by the buy/sell spread. In these circumstances, they are an additional cost to you at the time of undertaking the trading activity, and are included in the underlying managed fund's unit price

In addition, when buying and selling listed securities and exchange traded funds in your portfolio, there may be transactional and operational costs in addition to the transaction fees. These are an additional cost to you at the time of undertaking the trading activity.

Our estimate of these transactional and operational costs for the year ended 30 June 2017 for the BT Australian Shares Portfolio are set out in the example below. Detailed fee information for each managed portfolio option is set out on pages 18 to 26.

Managed portfolio option	(A) Transactional and operational costs of underlying investments	(B) Transaction fees	(C) = (A) + (B) Total transactional and operational costs
BT Australian Shares Portfolio	0.11% pa	0.05% pa	0.16% pa

Using the example above, if \$50,000 is invested in the BT Australian Shares Portfolio, total transactional and operational costs will be \$80. This is comprised of transactional and operational costs of the underlying investments of \$55 and transaction fees of \$25.

Government duty

Government duty may be payable if you transfer certain assets into or out of your portfolio. Where applicable, government duty will be deducted from your cash account.

Refer to the 'Taxation' section of this PDS for information about tax generally.

Other fees and costs

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

Taxation

BT Managed Portfolios offers you beneficial ownership of the assets in your portfolio, which are held by the custodian or sub-custodian. A key advantage of beneficial ownership of listed securities is that you are entitled to all income (dividends, distributions) and any taxation concessions that you qualify for (for example franking credits). 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.

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 BT Managed 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.



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 the member withdraws 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 fairly. 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 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 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 BT Invest (that is, the capacity in which BTPS will be the member of the Scheme and hold the legal interest in the Scheme on trust for you) 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 at BT Invest online. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

Tax reports

We will 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 at BT Invest online.

Important terms used in the PDS

Term	Meaning
ASIC	The Australian Securities and Investments Commission.
asset targets	The target percentage asset allocation for each asset within a managed portfolio option.
assets	Any listed securities, interests in a managed fund or exchange traded fund or cash investments you hold in your portfolio.
BT Cash Management Account or BT CMA	BT Cash Management Account as described in the BT Cash Management Account and related Payment Services Terms and Conditions.
BT Invest	The investor directed portfolio service known as 'BT Invest' of which BTPS is the operator and administrator.
BT Managed Portfolios or Scheme	The registered managed investment scheme known as BT Managed Portfolios ARSN 604 066 686.
BT Portfolio Services Ltd or BTPS	BT Portfolio Services Ltd ABN 73 095 055 208 AFSL Number 233715 the operator and administrator of the investor directed portfolio service known as BT Invest and the custodian for BT Managed Portfolios.
business day	A day other than a Saturday or Sunday on which banks are open for general banking business in Sydney.
Constitution	The constitution of BT Managed Portfolios which governs the operation of the Scheme.
investment manager	An investment adviser appointed by us who will construct and manage a managed portfolio option.
listed securities	Australian listed shares, Australian listed property securities and hybrids (including convertibles, preference shares and capital notes).
managed funds	Australian registered unlisted managed investment schemes.
managed portfolio option	Each of the professionally constructed investment strategies described in 'The managed portfolio options' section of this PDS.
minimum cash allocation of your selected managed portfolio option	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 cash account. It does not include any amount allocated to cash products above the minimum.
rebalance or rebalance process	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.
Responsible Entity	Westpac Financial Services Ltd ABN 20 000 241 127 AFSL Number 233716.
transaction costs	The costs relating to the buying and selling of listed securities in your portfolio. Refer to the 'Fees and other costs' section of this PDS for more details.
Westpac Financial Services Ltd, WFSL, we, our, us	Westpac Financial Services Ltd as the issuer and Responsible Entity of BT Managed Portfolios.
Westpac Banking Corporation	Westpac Banking Corporation ABN 33 007 457 141 AFSL Number 233714.
Westpac Group	Westpac Banking Corporation and its related bodies corporate.
your cash account	The account held in BT CMA by BTPS in its capacity as operator and administrator of BT Invest. This account is held as part of your BT Invest account.
your portfolio	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.

How to apply

You should read this PDS. This document may be updated or replaced from time to time and you should ensure you read the current version before investing.

You must have an account in BT Invest to invest in BT Managed Portfolios under this PDS. The Investor Guide for BT Invest includes details on how to invest in BT Managed Portfolios.

Cooling-off rights

Your account in BT Managed Portfolios is held by BTPS on your behalf through BT Invest, 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 call us on 1300 881 716 from 8.00am to 6.30pm, Monday to Friday (Sydney time). If we are 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 are dissatisfied with our response (or haven't received a response within 45 days), you may refer your complaint to the Financial Ombudsman Service ('FOS') in the following ways:

- > Online www.fos.gov.au
- > Email info@fos.org.au
- > Telephone 1800 367 287
- > Writing to:


Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

FOS is an independent body, set up to assist investors in the resolution of complaints relating to members of the financial services industry, including life insurance and funds management companies.

For more information



	<u>btinvest.com.au</u>
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	1300 881 716
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	GPO Box 2861 Adelaide SA 5001
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