

BT Classic Investment Funds

Supplementary Product Disclosure Statement (SPDS)

Issued 30 September 2017

Prepare for the best.



This is a Supplementary Product Disclosure Statement (SPDS) dated 30 September 2017 to the BT Classic Investment Funds Product Disclosure Statement (PDS) dated 1 July 2014 and should be read in conjunction with the PDS.

This SPDS is issued jointly by BT Funds Management Limited ABN 63 002 916 458 AFSL 233724 (BTFM) and BT Funds Management No. 2 Limited ABN 22 000 727 659 AFSL 233720 (BTFM2). Each of BTFM and BTFM2 takes full responsibility for the SPDS.

This SPDS must be read together with the Original PDS, available from our website bt.com.au or by calling our Customer Relations on 132 135.

BTFM and BTFM2 are members of the Westpac Group. An investment in a BT Classic Investment Funds Investment Option 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.

Except as expressly disclosed in the PDS or SPDS, neither the Bank nor any other company in the Westpac Group (including BTFM and BTFM2) stands behind or otherwise guarantees the capital value or investment performance of the Investment Options.

The purpose of this SPDS is to update the following:

1. Funds and Investment Options
2. Changes to the Fees and other costs
3. Changes to Taxation
4. Changes to Terms and conditions
5. Changes to our reporting obligations
6. Asset allocation Neutral Position (NP) and range changes
7. Investment Option benchmark changes
8. Updated Investment management information
9. Replacement of 'Warning for New Zealand investors' message
10. Change to Financial Ombudsman Service (FOS) contact number
11. Change to Anti-Money Laundering and Counter-Terrorism Financing Act obligations
12. Termination of BT Global Bond Investment Option (APIR BTA0001AU)
13. Changes to Risk categories

1. Funds and Investment Options

Throughout the PDS and SPDS, Investment Option is also referred to as a Fund.

2. Changes to the Fees and other costs

The following four sections of the PDS have been replaced by the below Fees and other costs section:

- > 'Fees and other costs' section on pages 21 and 22
- > 'Transaction costs' section on pages 26 and 27
- > 'Increases to management costs' section on page 27 and
- > 'Further information on management costs and buy-sell spread' section on page 29.

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 account 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 investment fee calculator to help you check out different fee options.

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

Taxes are set out in the 'Taxation' section on page 38 of the 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 Funds are set out in the Fees and costs table on page 4 of this SPDS.

To see how fees and costs may affect your investment, use the calculator on the ASIC website at moneysmart.gov.au/tools-and-resources/calculators-and-apps/managed-funds-fee-calculator.

Type of fee or cost ^{1,2,3}	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee <i>The fee to open your investment</i>	Not applicable	Not applicable
Contribution fee <i>The fee on each amount contributed to your investment</i>	Not applicable	Not applicable
Withdrawal fee <i>The fee on each amount you take out of your investment</i>	Not applicable	Not applicable
Exit fee <i>The fee to close your investment</i>	Not applicable	Not applicable
Management costs ⁴ The fees and costs for managing your investment. The amount you pay for specific Funds is shown in the Fees and costs table on page 4 of this SPDS.		
Management fee	Depending on the Fund, this varies between 0.97% – 1.98% pa of the value of your assets.	The management fee is deducted from the relevant Fund's assets prior to a unit price being determined. It is accrued on a daily basis and paid from the Fund generally on a monthly basis in arrears.

1 Unless otherwise stated, all fees quoted in this PDS are on a Goods and Services Tax (GST) inclusive basis and net of any applicable Reduced Input Tax Credits (RITCs).

2 Fees in this PDS can be individually negotiated if you're a wholesale client under the Corporations Act. For more detail, refer to 'Ability to negotiate fees – wholesale clients' section on page 25 of the PDS.

3 Adviser fees may also apply, refer to 'Advice fee' section on pages 23 and 24 of the PDS.

4 The management costs are paid from the assets of the relevant Fund and are reflected in the unit price of your investment.

Type of fee or cost ^{1,2,3}	Amount	How and when paid
Indirect costs⁵	Indirect costs vary per Fund. These range:	Expenses are generally deducted from the assets of the Fund monthly.
	Expense recoveries ⁶ 0.00% – 0.47% pa	Other indirect costs are not directly charged or retained by us and are reflected in the unit price of your investment in the relevant Fund.
	Regulatory Change Expense Recovery ⁶ 0.00% – 0.10% pa	
	Other indirect costs ⁷ 0.00% – 0.24% pa	
	Performance-related fee ⁸ 0.00% – 0.12% pa	

Service fees		
Investment switching fee	Not applicable	Not applicable
<i>The fee for changing Funds</i>		

- 1 Unless otherwise stated, all fees quoted in this PDS are on a GST inclusive basis and net of any applicable RITCs.
- 2 Fees in this PDS can be individually negotiated if you're a wholesale client under the Corporations Act. For more detail, refer to 'Ability to negotiate fees – wholesale clients' section on page 25 of the PDS.
- 3 Adviser fees may also apply, refer to 'Advice fee' section on pages 23 and 24 of the PDS.
- 4 The management costs are paid from the assets of the relevant Fund and are reflected in the unit price of your investment.
- 5 Indirect costs are an estimate of the costs incurred in managing the Fund's assets which directly or indirectly reduce the return on the Fund.
- 6 For information on Expense recoveries and Regulatory Change Expense Recoveries please see the relevant section below under 'Additional explanation of fees and costs' on page 3 of this SPDS.
- 7 Other indirect costs are an estimate of the additional costs incurred in managing the assets of the relevant Fund for the 12 months to 30 June 2017. For more information, please refer to the below 'Other indirect costs' section.
- 8 Performance-related fees are an estimate based on the performance fees paid to underlying investment managers for the year ended 30 June 2017. Performance-related fees shown are not a representation of likely future performance. For more information please see 'Performance-related fees' section on page 4 of the SPDS.

Example of annual fees and costs for a balanced Fund

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

Example — BT Balanced Returns Fund		Balance of \$50,000 ¹ with a contribution of \$5,000 ¹ during the year
Contribution fee	0%	For every additional \$5,000 you will be charged \$0.
Plus		And , for every \$50,000 you have in the Fund, you will be charged
Management costs	2.25%	\$1,125 each year.
Equals		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you would be charged fees and incur estimated indirect costs of:
Cost of BT Balanced Returns Fund		\$1,125²
		What it costs you will depend on the Fund(s) you choose and the fees you negotiate.

- 1 This amount is prescribed by legislation. 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 Additional fees may apply. Please note this example doesn't capture all the fees and costs that may apply to you, such as the buy-sell spread.

Additional explanation of fees and costs

Management costs

Management costs include the management fees and indirect costs payable. A summary of these fees is set out below.

Management fee

This is charged as a percentage of the net asset value of the relevant Fund you're invested in. It's accrued daily and paid from the assets of the relevant Fund monthly. The constitutions for the Funds limit the management fee.

Indirect costs

Indirect costs are an estimate of the costs incurred in managing the Fund's assets which directly or indirectly reduce the return on the Fund. These costs, apart from

Expense recoveries, are not directly charged or retained by us. These costs are deducted from the income or assets of the Fund directly or may be deducted through an underlying fund (where applicable) through which the Fund's assets are held and managed.

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 Fund for the financial year to 30 June 2017 and may vary from year to year. These indirect costs are reflected in the unit price of your investment in the Fund. They include:

> Expense recoveries

We, as the Responsible Entities of the Funds, are entitled to be reimbursed from the Funds for authorised expenses incurred in their proper management and administration. Fund expenses include registry costs, printing costs of PDSs, annual reports and statements and certain direct expenses such as custodian, accounting, audit and legal expenses (excluding transactional and operational costs). These expenses, when paid out of the Fund or reimbursed to the Responsible Entities, will be reflected in the unit price.

The constitutions for some of the Funds restrict the Responsible Entities' ability to be reimbursed for expenses by limiting the amount that can be recovered for certain types of expenses. Transactional and operational costs are not included in this measure (see 'Transactional and operational costs' section of the PDS).

In some Funds, we pay expenses out of our management fee at no additional cost to you. Where this occurs, the figure of 0.00 is shown in the Fees and costs table below. Investors in the relevant Fund will be given 30 days' written notice of any change in practice which amounts to an increase in costs.

An estimate of expense recoveries for each Fund based on the latest available figures as at the date of this PDS is shown in the Fees and costs table below. The actual expenses recovered may increase or decrease over time.

> Regulatory Change Expense Recovery

Recent regulatory reforms have required us to undertake a significant program of work to implement the reforms. To help cover the significant cost of implementing these reforms, a Regulatory Change Expense Recovery of up to 0.10% pa may be recovered from the relevant Fund. As at the date of the PDS, the amount recovered is shown in the Fees and costs table.

> Performance-related fees

Where an investment manager is appointed to manage a part of the Fund's assets directly or indirectly (for example through an underlying 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 certainty 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 a fund when the investment return outperforms either the relevant benchmark or a specific performance hurdle return. The performance-related fee rate for an underlying investment or investment manager may be up to 25% of outperformance over the benchmark or its performance hurdle. Usually, any prior underperformance must be made good before an investment manager qualifies for a performance-related fee.

In the balanced Fund used in the above example of annual fees and costs, the underlying investment manager was paid a performance-related fee. For every \$50,000 you have in that Fund, you would have been charged a performance-related fee of \$60 which is included in the management costs.

Performance-related fees for an investment manager of the Fund are generally paid at least annually (performance period). Performance-related fees affect the Fund's return and therefore the value of your investment in the Fund.

Performance-related fees may still be payable where a Fund's overall performance has declined over the performance period. This is because one or more investment managers within the Fund may have outperformed the benchmark or their performance hurdle over that period.

Where an 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 investment manager until the underperformance is recouped.

The estimated performance-related fees included in the management costs have been calculated by using the performance-related fees paid, or using performance-related fees information provided to us by an investment manager of an underlying fund, for the 12 months to 30 June 2017. The more exposure a Fund has to an underlying investment that charges performance-related fees, the greater the potential impact that this will have on your investment in that Fund.

Example: If an underlying investment manager managing 10% of the assets of a Fund outperforms their investment performance target by 3% for the year and has an agreed performance fee rate of 20%, the performance fee applicable to the Fund is 0.06% ($3\% \times 20\% \times 10\%$). If you have \$50,000 invested in the Fund you would effectively pay a performance fee of \$30 ($\$50,000 \times 0.06\%$) for that year.

Note: this example is provided by way of illustration only and is not an estimate or guarantee of investment returns or the performance fees that may apply.

> Other indirect costs

The amount included in the table of fees and costs constitutes an estimate of the other indirect costs incurred in connection with managing the underlying assets of each Fund (including through an underlying fund) for the financial year to 30 June 2017 and may vary from year to year. These other indirect costs are reflected in the unit price of the Fund and are an additional cost to you. We have relied on the information provided by the underlying funds where applicable and have made reasonable enquiries where necessary to determine the appropriateness of the other indirect costs provided. Where information provided is insufficient, we have made an estimate of the relevant indirect/other indirect costs.

Fees and costs table

The management costs applying to each Fund are set out below.

Fund/Investment Option	Management fee (%pa)	Estimated Indirect Costs ¹ (% pa)				Total Management Cost (%pa)	Estimated buy-sell spread (%)
		Estimated Performance-related fees	Estimated other indirect costs	Estimated expense recoveries	Estimated Regulatory Change Expense Recovery		
BT Active Balanced NEF	1.88	0.12	0.08	0.26	0.00	2.34	0.28
BT Asset Selection Fund	1.32	0.12	0.08	0.11	0.00	1.63	0.29
BT Australasian Bond Fund	0.97	0.00	0.00	0.36	0.00	1.33	0.09
BT Balanced Returns Fund	1.79	0.12	0.08	0.26	0.00	2.25	0.25
BT Core Australian Share Fund	1.62	0.00	0.00	0.27	0.00	1.89	0.40
BT Diversified Share NEF	1.98	0.00	0.00	0.36	0.00	2.34	0.30
BT Ethical Share Fund	1.75	0.00	0.00	0.47	0.00	2.22	0.40
BT International Share Fund	1.33	0.00	0.00	0.10	0.00	1.43	0.10
BT Monthly Income Fund	1.79	0.06	0.06	0.28	0.00	2.19	0.14
BT Natural Resources Fund	1.62	0.00	0.00	0.29	0.00	1.91	0.40
BT Select Australian Share Fund	1.23	0.00	0.00	0.00	0.00	1.23	0.50
BT Split Growth Fund	1.28	0.00	0.00	0.25	0.00	1.53	0.20
BT Split Income Fund	1.28	0.05	0.06	0.29	0.00	1.68	0.20
BT Tax Effective Income Fund NEF	1.88	0.03	0.24	0.26	0.00	2.41	0.22

¹ The estimate of indirect costs information in this table is information reasonably available as at the date of the PDS. Our website bt.com.au should be referred to by investors for updated information. Please also refer to the section 'Other Indirect costs' on page 4 of this SPDS.

Transactional and operational costs

Transactional and operational costs are incurred when assets are bought and sold. These costs include brokerage, clearing and settlement costs, applicable stamp duty and the difference between the price paid for acquiring or disposing of an asset and its actual value at that time. Part of these costs are recouped through the buy-sell spread.

Buy-sell spread¹

An allowance for transactional and operational costs arising from applications and redemptions made by investors into and out of a Fund is charged in the form of a buy-sell spread. These spreads are added to the daily unit price for applications (ie the entry price) and deducted from the daily unit price for redemptions (ie the exit price). The buy-sell spreads are an additional cost to you when you make a new or an additional investment, withdraw from or switch Funds to ensure that other investors are not disadvantaged by the trading activity arising from applications or redemptions. The buy-sell spread is retained in the Fund and not paid to us.

The current buy-sell spreads are available online at bt.com.au. A worked example of how buy-sell spread applies is in the table below. You should consider these costs when making any investment decisions such as changing Funds. For the full list of buy-sell spreads as at the date of this PDS, refer to the 'Fees and costs table' above.

Fund/Investment option	Estimated buy-sell spread (%)	Buy-sell spread example
BT Balanced Returns Fund	0.25	For example, if you invest \$10,000 in an Investment Option at the maximum buy-sell spread of 0.25%, you'll generally incur this cost, being \$25, at the time you invest.

Incidental fees and costs

In addition to the fees and costs set out above, standard Government fees, duties and bank charges may also apply to investments and withdrawals (including dishonour fees and conversion costs) and are paid by you.

¹ Buy-sell spreads are correct as at 1 July 2016, and may change from time to time. Updated buy-sell spreads are provided on our website at www.bt.com.au/personal/prices-and-performance/buy-sell-spreads/retail-buy-sell-spreads.html.

Other transactional and operational costs

Where transactional and operational costs arise from trading activity to execute an Investment Option's investment strategy, and are not the result of applications into and redemptions from the Investment Option, these costs are not recouped by the buy-sell spread. They are an additional cost to you at the time of the Investment Option directly or indirectly undertaking the trading activity, and are included in the Investment Options' unit price. Our estimate of these costs for the year ended 30 June 2017 are set out in the table below.

Fund/Investment option	(A) Total transactional and operational costs (%)	(B) Costs recouped from the buy-sell spread (%)	(C) = (A) – (B) Net transactional and operational costs (%)
BT Active Balanced Fund – NEF	0.44	0.03	0.41
BT Asset Selection Fund	0.43	0.02	0.41
BT Australasian Bond Fund	0.21	0.02	0.19
BT Balanced Returns Fund	0.45	0.01	0.44
BT Core Australian Share Fund	0.28	0.01	0.27
BT Diversified Share Fund – NEF	0.20	0.02	0.18
BT Ethical Share Fund	0.24	0.05	0.19
BT International Share Fund	0.11	0.00	0.11
BT Monthly Income Fund	0.35	0.01	0.34
BT Natural Resources Fund	0.31	0.03	0.28
BT Select Australian Share Fund	0.29	0.02	0.27
BT Split Growth Fund	0.16	0.02	0.14
BT Split Income Fund	0.35	0.01	0.34
BT Tax Effective Income Fund NEF	0.43	0.01	0.42

3. Changes to Taxation

The following section replaces the information under the 'Taxation' section on pages 38 and 39 of the PDS.

You should note that investing in the Fund is likely to have tax consequences. Investing in the Fund may also affect your entitlement to pension or other social security benefits. We strongly advise that you seek independent professional tax advice before investing in the Fund.

The following information is a general summary only and shouldn't be relied upon as a complete statement of all relevant laws. This information is provided as a general overview of the tax laws that apply to the Fund and its investors as at the date of this PDS. The application of these laws depends on your individual circumstances. This information applies to Australian resident investors unless otherwise specified.

Tax position of the Fund

The Fund attributes all of the taxable income, including realised net capital gains and tax credits (if any), to investors each year on a fair and reasonable basis, having regard to the members' rights under the constituent documents. As such, the Fund should not be subject to income tax.

If, for any reason, there is income within the Fund which has not been attributed to any investor, the Fund may be taxed at the highest marginal tax rate in respect of this income.

Taxation of distributions

Income attributed to you may form part of your assessable income. This is the case regardless of whether the income is distributed to you in cash.

The tax you pay will depend on the composition of the components. The components can be made up of:

- > assessable income, such as dividends and interest
- > net realised capital gains (including CGT concession amounts, if any)
- > tax credits, such as franking credits attached to dividend income and foreign income tax offsets
- > non-taxable distributions, such as a return of capital or tax-deferred amounts.

If franking credits or foreign income tax offsets are included in your components, you must determine your entitlement based on your individual circumstances. Income attributed to you that is not distributed to you in cash will generally increase the cost base of your units.

Capital Gains Tax (CGT)

Under the CGT provisions, you may realise capital gains or losses when you dispose of your investments. Individuals, trusts and complying superannuation entities may be entitled to the CGT discount when disposing of units that have been held longer than 12 months.

Any realised capital gains that you derive from the disposal of your investments and/or distributions from the Fund may be offset against realised capital losses to determine your net capital gain or loss for the year. Any 'discounted capital gains' must be grossed up prior to being offset against capital losses. To the extent there is a net capital loss for the year, this loss may be carried forward to future years and offset against any future capital gains.

Certain investors (eg share traders) may be liable to pay tax on any gains made on the disposal of units as ordinary income, in which case the CGT provisions may not apply.

Non-resident investors

If you're not an Australian resident for tax purposes, we may withhold tax on income attributed to you for the year, regardless of whether the income is distributed to you in cash.

The applicable rate of tax will vary depending on a number of factors, including the type of the component and your country of residence for tax purposes.

If you are a New Zealand investor, your investment may be subject to the New Zealand Foreign Investment Fund (FIF) regime. There are a number of investor exemptions from the FIF regime that may or may not apply to investors, so the application of the rules will depend on the underlying investor's circumstances. We recommend that you seek independent professional tax advice before investing.

When withdrawing or switching from an investment option, you have the option of either repurchase (where we buy the units from you) or redemption (where the units are redeemed directly by the investment option). Both options have different Australian and New Zealand tax consequences. If you do not specify a method, the default method will be repurchase.

Quoting your tax file number

In the application form for the investment service or superannuation fund, the Operator will ask for your tax file number (TFN).

It isn't an offence if you don't provide a TFN, however it's important to be aware that if you don't provide us with a TFN, an Australian Business Number (ABN), or an exemption reason, we may be required to withhold tax from the income attributed to you at the highest marginal tax rate, plus Medicare levy, to meet Australian tax requirements.

If you're exempt from providing a TFN you should write the reason for your exemption on the application form.

Australian companies and other entities that invest in the course or furtherance of their registered business can supply their ABN to us instead of their TFN.'

Payment of an advice fee

If you pay an advice fee to your adviser, we recommend you seek professional tax advice regarding your ability to claim a tax deduction for these expenses.

4. Changes to Terms and conditions

On page 45 of the PDS, under 'Our electronic facilities' replace 'we may suspend or cancel your ability to transact electronically at any time without notice' with:

We may suspend access or cancel your ability to transact where we reasonably consider it to be necessary or desirable (and where applicable, for such period as we reasonably consider to be necessary or desirable):

- a) having regard to:
 - (i) the law, or

- (ii) the quality, efficiency, integrity or security of our electronic facilities, or

- (iii) any reputational impact on us, or

- b) otherwise on reasonable notice to you.

We must use best endeavours to ensure that any suspension for maintenance of our electronic facilities is carried out at times when in our reasonable opinion it would have least effect on you.

On page 45 of the PDS under 'Facsimile facility' replace 'we may, in our absolute discretion, refuse to carry out any instruction.' with:

We may refuse to carry out any instruction:

- a) that is unclear,
- b) where you do not have sufficient cleared funds with us to process the instruction,
- c) where we have not received all necessary documentation,
- d) when acting would be against the law,
- e) if you are in default under any contract with us or any member of the Westpac Group, or
- f) when it is reasonable for us to do so.

5. Changes to our reporting obligations

The following replaces the 'Our reporting obligations' section on page 42 of the PDS.

Our reporting obligations

We are required to identify tax residents of a country(ies) other than Australia in order to meet account information reporting requirements under local and international laws.

If at any time after account opening, information in our possession suggests that you, the entity and/or any individual who holds ownership and/or control in the entity of 25% or more (Controlling Person) may be a tax resident of a country(ies) other than Australia, you may be contacted to provide further information on your foreign tax status and/or the foreign tax status of the entity and/or any Controlling Person. Failure to respond may lead to certain reporting requirements applying to the account.

By completing the application form attached to this PDS you certify that you and/or any Controlling Person are not a US citizen or US tax resident and that if at any time there is a change to the foreign tax status details for you, the entity and/or any controlling persons, you will inform BTFM. You also certify that if at any time there is a change of a controlling person/s in your entity, you will inform BTFM.

A controlling person refers to the individual(s) that directly or indirectly owns a legal interest in the entity of 25% or more and/or exercises actual effective control over the entity, whether from an economic or other perspective such as through voting rights. In addition, in the case of a trust, a controlling person includes the settlor(s), trustee(s), appointer(s), protector(s), beneficiary(ies) or classes of beneficiaries and in the case of an entity other than a trust, the term includes persons in equivalent or similar positions.

6. Asset allocation Neutral Position (NP) and range changes

The following asset allocation Neutral Position (NP) and ranges are effective from 24 May 2017 and replaces this information within the 'Investment Option profiles' on pages 15, 16 and 17 respectively of the PDS.

BT Active Balanced Fund – NEF (RFA0021AU)		
Asset classes	Neutral Position (NP) (%) ¹	Asset Allocation range (%)
Cash	4	0 – 10
Fixed Income – Australian	12	5 – 32
Fixed Income – International	5	0 – 20
Other – Growth Alternatives	0	0 – 20
Other – Defensive Alternatives	13	0 – 20
Commodities – International Listed	0	0
Equity – Australian Listed	36	28 – 48
Equity – International Listed	25	12 – 32
Property – Australian Listed ²	4	0 – 10
Property – International Listed ²	1	0 – 10
Total	100	

BT Asset Selection Fund (BTA0169AU and BTA0060AU)		
Asset classes	Neutral Position (NP) (%) ¹	Asset Allocation range (%)
Cash	4	0 – 10
Fixed Income – Australian	12	5 – 32
Fixed Income – International	5	0 – 20
Other – Growth Alternatives	0	0 – 20
Other – Defensive Alternatives	13	0 – 20
Commodities – International Listed	0	0
Equity – Australian Listed	36	28 – 48
Equity – International Listed	25	12 – 32
Property – Australian Listed ²	4	0 – 10
Property – International Listed ²	1	0 – 10
Total	100	

BT Balanced Returns Fund (BTA0043AU)		
Asset classes	Neutral Position (NP) (%) ¹	Asset Allocation range (%)
Cash	4	0 – 20
Fixed Income – Australian	16	5 – 32
Fixed Income – International	12	0 – 20
Other – Growth Alternatives	0	0 – 20
Other – Defensive Alternatives	14	0 – 20
Commodities – International Listed	0	0
Equity – Australian Listed	27	23 – 43
Equity – International Listed	21	10 – 30
Property – Australian Listed ²	5	0 – 10
Property – International Listed ²	1	0 – 10
Total	100	

¹ For the most current neutral positions and ranges, please refer to bt.com.au.

² Property includes direct property and listed property vehicles.

BT Tax Effective Income Fund – NEF (RFA0023AU)		
Asset classes	Neutral Position (NP) (%) ¹	Asset Allocation range (%)
Cash	8	5 – 50
Other – Convertible preference shares (Hybrid securities)	0	0 – 15
Other – Defensive Alternatives	4	0 – 5
Fixed Income – Australian	29	10 – 35
Commodities – International Listed	0	0
Equity – Australian Listed	44	20 – 50
Equity – International Listed	0	0
Property – Australian Listed ²	15	
Property – International Listed ²	0	0 – 30
Total	100	

BT Split Income Fund (BTA0011AU)		
Asset classes	Neutral Position (NP) (%) ¹	Asset Allocation range (%)
Cash	7	0 – 35
Fixed Income – Australian	29	20 – 60
Fixed Income – International	23	5 – 35
Other – Growth Alternatives	0	0 – 20
Other – Defensive Alternatives	13	
Commodities – International Listed	0	0
Equity – Australian Listed	14	2 – 22
Equity – International Listed	7	0 – 15
Property – Australian Listed ²	5	
Property – International Listed ²	2	0 – 10
Total	100	

BT Monthly Income Fund (BTA0041AU)		
Asset classes	Neutral Position (NP) (%) ¹	Asset Allocation range (%)
Cash	11	0 – 40
Fixed Income – Australian	34	20 – 60
Fixed Income – International	23	5 – 35
Other – Growth Alternatives	0	0 – 20
Other – Defensive Alternatives	12	
Commodities – International Listed	0	0
Equity – Australian Listed	8	0 – 18
Equity – International Listed	5	0 – 14
Property – Australian Listed ²	5	
Property – International Listed ²	2	0 – 10
Total	100	

BT Diversified Share Fund – NEF (RFA0024AU)		
Asset classes	Neutral Position (NP) (%) ¹	Asset Allocation range (%)
Cash	1	0 – 30
Fixed Income – Australian	0	0
Fixed Income – International	0	0
Other – Growth Alternatives	0	
Other – Defensive Alternatives	0	0
Commodities – International Listed	0	0
Equity – Australian Listed	60	25 – 75
Equity – International Listed	39	25 – 75
Property – Australian Listed ²	0	
Property – International Listed ²	0	0 – 10
Total	100	

¹ For the most current neutral positions and ranges, please refer to bt.com.au.

² Property includes direct property and listed property vehicles.

7. Investment Option benchmark changes

7.1 Effective from 1 April 2015, the Investment Option benchmarks were changed from UBS Global property Index (UBS Global Real Estate Investors (ex Australia) Index) to the FTSE Global Property Index (FTSE EPRA/NAREIT Developed ex Australia hedged in AUD Net TRI) as a result of UBS ceasing to be a provider of Global Property indices from 1 April 2015.

The impacted Investment Options were:

- > BT Active Balanced Fund NEF (RFA0021AU) – refer to page 15 of the PDS
- > BT Asset Selection Fund (BTA0169AU) – refer to page 15 of the PDS
- > BT Balanced Returns Fund (BTA0043AU) – refer to page 16 of the PDS
- > BT Split Income Fund (BTA0011AU) – refer to page 16 of the PDS and
- > BT Monthly Income Fund (BTA0041AU) – refer to page 17 of the PDS.

The benchmark change incurred a minor one-off transaction cost (up to a maximum of 0.03% for those Investment Options with 100% exposure to the Global Property asset class and significantly less for Diversified funds which have small allocations to Global Property) as part of standard buying and selling transactions associated with the ongoing management of these Investment Options. There was no change to the investment return objective, strategy or investment process.

7.2 Effective from 29 September 2014, the UBS Australia Bond Index was rebranded to Bloomberg¹ as a result of Bloomberg's acquisition of the UBS Australia Bond Index series.

The impacted Investment Option was:

- > BT Australasian Bond Fund (BTA0003AU) with new benchmark 'Bloomberg AusBond Composite 0+ Yr Index'.

Refer to page 20 of the PDS.

The benchmark name change had no impact on the above Investment Option and there is no change to the underlying index methodology. Information about Bloomberg indices can be found at bloombergindexes.com/fixed-income/ausbond/.

7.3 Effective from 1 May 2017, the benchmark for the BT Natural Resources Fund on page 20 of the PDS is replaced with the following:

Benchmark² is composed of 50% resources stocks in S&P/ASX 100 Index plus 50% resources stocks in ASX Small Ordinaries Index.

There is no change to the investment return objective, strategy or investment process.

¹ Bloomberg Finance L.P. and its affiliates (collectively, 'Bloomberg') do not approve or endorse this material and disclaim all liability for any loss or damage of any kind arising out of the use of all or any part of this material.

² Resource stocks as per Global Industry Classifications includes "metals, mining, oil, gas and consumable fuels".

8. Updated Investment management information

The following section replaces the information under the 'About the investment manager' section on page 12 of the PDS.

The BT Investor Choice Funds



Investment
Management

- > Established 2007.
- > Funds under management \$94.4 billion* (as at 30 June 2017).
- > The Investment Options offered within the BT Investment Funds are managed by BT Investment Management (Institutional) Limited (BTIM) ABN 17 126 390 627 AFSL 316455 and by a number of external managers with complementary capabilities. BTIM is one of Australia's premier fund managers and offers investors a range of investment choices including Australian shares and property securities, fixed income and cash, absolute return investments, international shares and property securities. To complement its in-house expertise, BTIM also partners with leading global investment managers.
- > BTIM is a wholly owned subsidiary of BT Investment Management Limited, which is approximately [10%] owned by the Westpac Group. BT Investment Management Limited is one of the largest ASX-listed pure investment managers (ASX:BTT).

* Includes J O Hambro Capital Management assets under management.

9. Replacement of ‘Warning for New Zealand investors’ message

The warning message for New Zealand investors has been removed from page 9 of the PDS. It has been updated in line with current Financial Markets Conduct Act 2013 (New Zealand) and Financial Markets Conduct Regulations 2014 (New Zealand) and will form part of the BT Classic Investment Funds Application Form available for New Zealand investors from 23 September 2016.

10. Change to the Financial Ombudsman Service (FOS) contact number

The FOS contact number has changed from 1300 780 808 to 1800 367 287 in the ‘Complaint’s resolution’ section on page 80 of the PDS.

11. Change to Anti-Money Laundering and Counter-Terrorism Financing Act obligations

The following section replaces the information under the ‘Anti-Money Laundering and Counter-Terrorism Financing Act obligations’ section on page 42 of the PDS.

Anti-Money Laundering and Counter-Terrorism Financing Act obligations

We are bound by the laws about the prevention of money laundering and the financing of terrorism, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Laws).

To comply with our obligations under the AML/CTF Act, we may need to collect identification information and documentation from you, your estate or anyone acting on your behalf. We may also decide to delay or refuse any request or withdrawal of units if we are concerned that the request of transaction may breach any obligation of, or cause us to commit or participate in an offence under, any anti-money laundering and counter-terrorism financing law, and we will not incur any liability in doing so.

Financial crimes monitoring

The Responsible Entity and Administrator are bound by laws about the prevention of money laundering and the financing of terrorism as well as sanctions obligations, including the AML/CTF laws. By approving your application, you agree that:

- > the Responsible Entity and Administrator are required to carry out procedures that verify your identity before providing services to you, and from time to time thereafter
- > you are not investing under an assumed named
- > any money you invest is not derived from or related to any criminal activities
- > any proceeds will not be used in relation to any criminal activities
- > you will not initiate, engage in or effect a transaction that may be in breach of AML/CTF laws or sanctions (or the law or sanctions of any other country)
- > if the Responsible Entity or Administrator asks, you will provide any additional information they may reasonably require for the purposes of AML/CTF laws or sanctions. This could include information about you, your estate, about anyone acting on your behalf or the source of funds used in connection with a contribution
- > in order to comply with AML/CTF laws and sanctions, the Responsible Entity or Administrator may be required to take action, including delaying or refusing the processing of any application or any transaction related to your account if they believe or suspect that the application or transaction may breach any obligation of, or cause them to commit or participate in an offence under any AML/CTF laws or sanctions. Neither the Responsible Entity nor Administrator will incur any liability in doing so
- > where legally obliged to do so, the Responsible Entity and the Administrator may disclose the information gathered to regulatory and/or law enforcement agencies or other entities. They may share this information with other members of the Westpac Group.

If you are in default of your obligations under your account with us, we can close your account without notice if we have reasonable grounds to suspect that there is a breach of any of the conditions set out above, such as unsatisfactory conduct by you or if you fail to provide required information and documentation as requested within a stipulated time period, or if we have reasonable grounds to consider that we need, subject to the provisions of the relevant law, to close your account for any other reason in order to manage appropriately any risks to which we are exposed (including the risk of damage to our reputation).

12. Termination of the BT Global Bond Investment Option (APIR: BTA 0001AU)

This investment option has been terminated and all references within the PDS are to be removed.

13. Changes to Risk categories

'The five categories of risk' on page 7 of the PDS have been replaced with the following information.




The five categories of risks


The Investment Options are divided into five broad categories based on the general risk and return profile of each Investment Option. The following table describes the different categories of risk and the recommended minimum investment timeframe for each category.

Risk Category	Minimum suggested investment timeframe	Investment Objective
Stable	Up to 2 years	For investors who prefer low risk and require a higher level of capital security. These investors typically have a shorter term investment horizon and are comfortable with receiving lower potential investment returns.
Conservative	3 years +	For investors who prefer low risk and a reasonably high level of capital security. These investors are comfortable with receiving lower potential returns by accepting less risk.
Moderate	5 years +	For investors who are prepared to take some risk in exchange for higher potential returns while maintaining a moderate level of capital security.
Dynamic	6 years +	For investors who are prepared to take on greater risk. These investors are comfortable with potentially higher returns over the long term while accepting a lower level of capital security. These investors are also comfortable with fluctuations in the valuation of their investments and the possibility of negative returns over the short term.
Aggressive	7 years +	For investors who are prepared to take on higher risk. These investors are comfortable with potentially higher returns over the long term while accepting a low level of capital security. These investors also aim to invest over a long time period and accept fluctuations in the valuation of their investments and the possibility of negative returns over the short term.



For more information – Australia

 bt.com.au	 132 135
 customer.relations@btfinancialgroup.com	

 **BT Funds Management Limited**
GPO Box 2675
Sydney, NSW 2001

For more information – New Zealand

 btonline.co.nz	 0800 800 661
 nzclientservices@btnz.co.nz	

 **BT New Zealand Client Services**
PO Box 6088, Wellesley Street
Auckland 1141

Australian Financial Services Licence (AFSL)

Westpac Financial Services Limited's AFSL number is 233716. BT Funds Management Limited's AFSL is 233724. BT Funds Management No.2 Limited's AFSL is 233720. Information about AFSLs is available from ASIC via the internet at www.asic.gov.au.

BT Classic Investment Funds

Product Disclosure Statement









Dated 1 July 2014

We recommend that you read this Product Disclosure Statement (PDS) in full before making an investment decision. If you have not received the entire document, please contact BT Customer Relations.

Prepare for the best.



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Important information on the BT Classic Investment Funds – each investment option offered in this PDS is available exclusively to existing investors in that investment option for so long as they continuously maintain an investment in the investment option.

About this Product Disclosure Statement (PDS)

BT Funds Management Limited ABN 63 002 916 458 AFSL 233724 (BTFM, Responsible Entity, we, us, our) and BT Funds Management No. 2 Limited ABN 22 000 727 659 AFSL 233720 (BTFM2, Responsible Entity, we, us, our) have jointly prepared this PDS and each take full responsibility for this whole of this PDS. The Responsible Entity of an investment option is the issuer of units in that investment option. The Responsible Entity of each investment option is set out in the inside section of this PDS.

The information contained in this PDS is general information only and does not take into account your personal objectives, financial situation or needs. You may wish to consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances. All amounts referred to in this PDS are in Australian dollars unless otherwise stated. The returns quoted in this PDS do not therefore take into account the effect of currency fluctuations between AUD and NZD over the specified time period, and you should be aware that such future fluctuations will have an effect on the NZD value of returns for NZ investors.

Eligibility

The offer made in this PDS is available only to persons receiving this PDS (electronically or otherwise) within Australia and to persons receiving the relevant offer document in New Zealand. Persons in both Australia and New Zealand should read this PDS and any other document accompanying this PDS. If you have received this PDS electronically we will provide you with a free paper copy on request. Other than as permitted by law, interests in the Funds will only be issued on receipt of an Application Form issued with this PDS, and a correctly completed Standard Transfer Form. Applications from outside Australia and New Zealand will not be accepted. You must be 18 years of age or older to invest in BT Classic Investment Funds. BTFM and BTFM2 may accept or reject an application without giving reasons.

Updated information

Information in this PDS is subject to change from time to time. If it is not materially adverse information it may be updated by us. Updated information (such as performance information for the investment options) can be obtained by contacting your financial adviser, going to our website at bt.com.au or calling 132 135. You may request a paper copy of any updated information at any time free of charge.

Investment in the BT Classic Investment Funds

BT Funds Management Limited and BT Funds Management No. 2 Limited are members of the Westpac Group.

An investment in any investment option offered in this PDS is not a deposit with, or any other liability of, Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 (Westpac, 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. Neither the Bank nor any other company in the Westpac Group (including BTFM and BTFM2) has issued, stands behind or otherwise guarantees the capital value or investment performance of any investment option offered in this PDS.

Why the BT Classic Investment Funds?

Why invest in managed funds?

Managed funds offer a number of benefits including:

- ▶ **diversification** – managed funds allow you to pool your money with many other investors to invest in a range of assets. Diversifying across different assets helps reduce the risk of investing. You can spread your investment across different asset classes such as shares, property, fixed interest securities and cash. Plus you can diversify your investment within each of these types of assets
- ▶ **simplicity** – managed funds make it easier to spread your investments across a range of assets, as well as making it easier to keep track of them. Investment professionals monitor your investments and provide you with regular information – including information to help you lodge an Australian tax return
- ▶ **investment expertise** – managed funds use the expertise of a team of professionals to analyse investment opportunities on an ongoing basis and then assemble those opportunities in a diversified portfolio. These professionals have the experience, time and resources to study individual assets and investment markets to a much greater depth than a typical individual investor
- ▶ **access to all major asset classes** – managed funds are a convenient way to invest in the major asset classes (shares, property, fixed interest securities and cash). This may include those difficult to access investments such as commercial property (e.g. shopping centres and office towers) as well as international shares and foreign government bonds.

The BT Classic Investment Funds services

- ▶ you can check your balance, switch investment options and find out more about investing through our website BT Online (bt.com.au) or our automated telephone service BT Link (132 135)
- ▶ features such as distribution reinvestment, our Regular Investment Plan and our Flexi Payment Plan all make it easier for you to manage your money in a way that suits your financial situation, goals and needs
- ▶ our Customer Relations specialists can help answer your questions during business hours.



About BT Financial Group

BT Financial Group (BT) is the investment management arm of the Westpac Group. Westpac has been delivering banking and other financial services to Australians since 1817. BT has been helping Australians create and manage wealth since 1969. Today, it is one of Australia's leading providers of superannuation, investment and insurance products.

Financial advice

We recommend that you obtain professional financial advice before making any investment decision. A financial adviser can help you decide on an investment strategy that is best suited to you. They can make a detailed assessment of your financial situation, help you define your investment goals and select products that suit your needs and your risk and return preferences.

At a glance



An overview of the main features of the BT Classic Investment Funds

		See section
Investment choices	Each investment option offered in the BT Classic Investment Funds is available exclusively to existing investors in that investment option, for so long as they continue to maintain a holding in the investment option.	Investment option profiles
Investing and transacting minimums	Additional investment There is no minimum amount for additional investments including those made by a Regular Investment Plan.	Managing your investment
	Switches There is no minimum switch amount.	Managing your investment
	Withdrawals There is no minimum withdrawal amount.	Managing your investment
Fees and other costs	Other fees and costs Refer to the 'Fees and other costs' section in this PDS.	Fees and other costs
Distributions	Payment options You can elect to reinvest your distributions, have them paid to your existing investment in the BT Cash Management Trust ¹ or to your nominated bank account.	Managing your investment
	Frequency Refer to 'investment option profiles' for the distribution frequency of each investment option.	Investment option profiles
Keeping you informed	To keep you up-to-date we provide: <ul style="list-style-type: none"> ▶ transaction confirmations ▶ regular statements ▶ taxation statements ▶ Annual Reports ▶ access to information <ul style="list-style-type: none"> — 24 hour access to information via our automated phone service BT Link and our website at bt.com.au — BT Customer Relations. 	Managing your investment
Other important features	Regular Investment Plan Make automatic monthly investments by direct debit or payroll deduction.	Managing your investment
	Flexi Payment Plan Choose the payment amount you wish to receive each distribution period.	Managing your investment

¹ The BT Cash Management Trust is offered in the BT Investment Funds product disclosure statement. Please refer to 'Terms used in this PDS' for more information on the BT Investment Funds.

Important note:

We may vary the investing and transacting minimums. If minimums are varied, we will inform investors in their next regular communication. For information on how we may vary fees and other costs, refer to the 'Fees and other costs' section of this PDS.

Choosing your investment options

There are a range of factors to consider before choosing the investment option(s) that best suit your objectives, financial situation and needs.



Different ways to invest

Asset classes explained

The four major asset classes are shares, property, fixed interest securities and cash. Alternative investments are an additional asset class.

Asset class	Benefits and risks
Shares (also known as equities) represent a part ownership in a company. Investors are entitled to share in the future of that company, which may include the receipt of income (dividends), as well as the potential for capital gains if the share price rises.	Shares have historically delivered the best returns of the major asset classes over the longer term. However, they are the most volatile, as their value can be impacted by the expectation of their earnings and profits, industry trends and general market sentiment.
Property includes residential, commercial and industrial property. Investments in property may be made directly or indirectly via property trusts or by buying shares in property companies which may be listed on a stock exchange. Property trusts and companies can invest in shopping centres, office towers, hotels and factories, or in unlisted property investment vehicles such as private equity vehicles, mortgage securities and mortgage trusts. Property can produce a return in the form of capital growth (from the rising value of the investment) and income (typically from rent).	Property related investments are historically less volatile than shares but provide the potential for higher returns than fixed interest securities and cash. However, they are also subject to market sentiment and are influenced by general economic conditions and events that affect the overall share market.
Fixed interest securities represent loans to borrowers such as governments, banks or companies who may be financing investment projects. They include bonds and structured finance products. The borrower generally pays a predetermined rate of interest for an agreed term. When the term has expired the fixed interest security may be redeemed for cash.	Fixed interest securities are generally less volatile than shares or property, but historically they have also earned less over the long term. They are also subject to movements in interest rates. Generally, as market interest rates rise, the value of the fixed interest security will fall.
Cash generally refers to investments in the short term money market including short term bonds issued by high quality companies or governments. 'Short term' typically refers to investments that mature in less than 12 months.	Cash is the least risky of the four major asset classes. Historically it has generated the lowest returns of the four major asset classes over the longer term and may be eroded by inflation.
Alternative investments refer to a growing range of investments that do not fall within the four main asset classes. Alternative investments can be based on publicly traded securities like shares, bonds and derivatives, which include hedge funds, absolute return funds and commodity investments. Some alternative investments are based on private securities; these include venture capital and private equity. Investment strategies that may be found in some alternative investments include the use of gearing, short selling (selling something you do not own with a view to buying it back later at a lower price) and more extensive use of derivatives.	Alternative investments have a very wide range of return, risk and correlation characteristics. Some have high return expectations and can be risky. Some have lower return expectations and can be less risky. Some have low correlation to the traditional asset classes although this is not always the case. When added to a portfolio of traditional assets they have the potential to improve the return of that portfolio, reduce the risk of that portfolio or a combination of both.



Other investment techniques and securities

Investment managers may use various investment techniques and securities to protect and enhance returns.

Currency management

Investing in assets that are denominated in foreign currencies means you are exposed to movements in those currencies. Currency markets can be extremely volatile and affected by a host of factors.

Currency hedging is an investment strategy that aims to reduce currency risk, thereby protecting or potentially improving returns. However it may also reduce the potential gain from investments. Derivatives such as forward foreign exchange contracts are used to reduce the impact of currency fluctuations.

An investment option with exposure to international assets can have the currency exposure unhedged, partially or fully hedged and/or actively managed.

Unhedged investment options are fully exposed to the impact of currency movements in the Australian dollar relative to foreign currencies for all international assets.

Passive currency management through hedging attempts to smooth out the effects of currency fluctuation. This involves either fully or partially hedging portfolios with assets denominated in foreign currencies.

Some investment managers employ active currency management. This investment approach seeks to use currency trading on foreign exchange markets as an independent source of fund returns. Active currency management has the potential to add further value but can also expose an investment fund to greater risk.

Derivatives

These are investments whose value is derived from other assets, such as shares, and may be used as part of the portfolio management process. Futures contracts and options are examples of derivatives.

Derivatives may be used to reduce risk and can act as a hedge against adverse movements in a particular market and/or in the underlying asset. Derivatives can also be used to gain exposure to assets and markets.

While derivatives offer the opportunity for significantly higher gains from a smaller investment (because of the effective exposure obtained) they can also produce significantly higher losses, sometimes in excess of the amount invested.

The investment managers are required to have strict policies and procedures on the use of derivatives and are not permitted to use derivatives to gear the investment options (and to the extent of their alternative investment exposure, the diversified investment options).

Hybrid securities

These are securities that combine both debt and equity characteristics, and are used by companies to raise money. They include convertible preference shares and notes, preferred units and stapled preference shares and notes. These securities usually provide a fixed rate of return that may be tax effective.

Understanding the risks

The relationship between risk and return

The variability of returns is known as investment risk. Generally, the higher the level of risk you are prepared to accept, the higher the potential returns or losses.

Minimising risk through diversification

Diversification is the spreading of an investment over a range of asset classes, industry sectors and regions with the aim of reducing risk.

You can select investment options that:

- ▶ spread your investment across a number of asset classes such as shares, property, fixed interest securities and cash
- ▶ invest in a particular asset class
- ▶ diversify across a range of investment managers.

The five categories of risk

We have allocated the investment options into five categories according to their risk characteristics. The table below contains a brief description of the investor risk profile for each category.



Category of risk	Explained
Aggressive	For investors who are willing to take more risk in search of greater returns. Investors are comfortable with volatility, the possibility of negative returns and aim to invest over a long period.
Dynamic	For investors who are prepared to take more risk in exchange for potentially higher returns over the longer term. Investors are comfortable with volatility and with the possibility of negative returns.
Moderate	For investors who are looking for good long term returns without large ups-and-downs in the short term.
Conservative	For investors who are looking for some growth but are mostly concerned about protecting their capital.
Stable	For investors who do not like risk and need access to their money in the near future.

Choosing your investment options (Continued)



Investment risks

All investments carry risk. Investment risk can be managed and even minimised but it cannot be completely eliminated. It is important to understand that not all risks are foreseeable. The likely investment return and the risk of losing money is different for each managed investment scheme as different strategies carry different levels of risk depending on the underlying mix of assets that make up each investment option. Those assets with potentially the highest long term return (such as shares) may also have the highest risk of losing money in the shorter term.

Some common types of investment risks are outlined in the table below.

Type of risk	Explained
Market risk	The risk that the market price of an asset will fluctuate as a result 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 type of asset, investment style and investor.
Security specific risk	The risk associated with an individual asset. The value of fixed interest securities can be specific events such as changes in the perceived or actual creditworthiness of a particular issuer.
International investments risk	The risk that investing internationally in one of the major asset classes will give exposure to different or potentially greater risks that are not associated with investing in Australia. International investments may be more affected by political and economic uncertainties, lower regulatory supervision, movements in foreign currency and interest rates and more volatile, less liquid markets.
Currency risk	The risk that for investments in international assets, a rise in the Australian dollar relative to other currencies may negatively impact investment values and returns.
Interest rate risk	The risk that the investment value or future returns of an asset may be adversely impacted by changes in interest rates. Interest rates may directly or indirectly affect a company's cost of borrowings as well as the value of fixed interest securities.
Credit risk	The risk of loss arising from the failure of a borrower or other party to a contract to meet its obligations. It arises primarily from investments in fixed interest securities, mortgage securities and from certain derivatives.
Liquidity risk	This is the risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay, because of either inadequate market depth or disruptions in the market place. Securities of small companies in particular may become less liquid from time to time, and especially in falling markets.
Alternative investment risk	<p>Alternative investments may have exposure to any of the risks outlined in this section, although these investments have a different risk/return profile to traditional investments. Alternative investments may have less liquidity, they may use gearing that magnifies both gains and losses and the variability of returns and they may use short selling. Short selling involves obligations to purchase shares at some later date. Theoretically, as there is no limit to how high a share price may rise, there is also no limit on the losses that can be incurred from short selling, so this increases market and operational risk.</p> <p>Alternative investments are subject to certain risks that may include periods of large market falls, high volatility or reduced liquidity (i.e. the ability to sell investments immediately). In addition, losses may arise due to other factors, including poor judgement, misconduct or fraud. Use of gearing in alternative investments may magnify both gains and losses and the variability of returns. Other risks associated with alternative investment strategies may include a heavy reliance on key individuals and being based in a country or countries where the level of regulatory supervision is lower than in Australia.</p>
Derivative risk	The value of derivatives is linked to the value of the underlying assets and can be highly volatile. Potential gains and losses from derivative transactions can be substantial.
Gearing and leveraging risk	Gearing is the use of borrowing to invest. It increases and magnifies the volatility of investment returns and losses. Where investments are leveraged, losses can exceed the original investment.

Product risk

To maintain the quality and diversity of our product range, we may make changes to the investment options at any time, including:

- ▶ adding, closing or terminating an investment option
- ▶ changing an investment option's objective, investment strategy, asset allocation neutral position and ranges or currency strategy (if any)
- ▶ changing the rules that govern an investment option (e.g. changing fees, notice periods or withdrawing features)
- ▶ removing or adding an investment manager or investment consultant.

In some cases we can do these things without prior notice to investors.

You should be aware of these risks when investing and should be aware that not all risks can be foreseen. No matter how skilled the investment managers, or however strong the investment option's performance has been in the past, there is always a chance you could receive back less than you invested. Investment returns are volatile and can go up and down. The future performance of investment options is not guaranteed and past performance is not a guide to future performance. You may lose money no matter which investment options you invest in.

Warning for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* and Regulations. In New Zealand, this is Part 5 of the *Securities Act 1978* and the *Securities (Mutual Recognition Of Securities Offerings – Australia) Regulations 2008*.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, Wellington, New Zealand. Its contact details are:

Financial Markets Authority
PO Box 1179
Wellington 6140

Phone: 0800 434 566

Fax: (04) 472 8076

Internet: fma.govt.nz

The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities isn't the same as for New Zealand securities.

If you're uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the securities isn't New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between the securities' currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that isn't New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.



Choosing your investment options (Continued)



About the investment options

We give you access to a range of investment options across all the major asset classes. Each of the investment options is described in detail in the 'Investment option profiles' section of this PDS.

How the investment options work

The investment options are managed by BT Investment Management (Institutional) Limited ABN 17 126 390 627 AFSL 316 455 (BTIM) and by a number of external managers with complementary capabilities.

An important note about references to assets and asset classes

A reference in this PDS to an investment option investing in a specific asset or asset class includes all types of investments which give exposure to that asset or the related asset class, directly or indirectly. This includes through derivatives and investment in other funds (including other BT funds), and through any type of investment which would ordinarily be understood in financial markets to be included in that asset class. For example, investment in 'Australian shares' includes investment in Australian share futures, derivatives based on an index of Australian shares, or funds which invest primarily in Australian shares. 'Australian shares' also includes any shares, units or other securities listed on an Australian exchange or issued or guaranteed by an Australian entity. A statement that an investment option invests in a particular class of asset does not preclude investment in other types of assets where the investment manager considers it appropriate to do so in the interests of investors.

Changes to investment managers and investment options

BT reviews investment managers and investment options to ensure we continue to offer a quality range of investment options. As part of this review process, we may remove or add an investment manager and change investment consultants. BTIM may change which assets it manages internally or outsource to an external manager.

We can change the investment option objective and strategy (including the benchmark), asset allocation neutral position and ranges, and currency strategy (if any), without prior notice. We provide no assurance that any investment options currently available in this PDS will continue to be available in the future.

We may do these things at any time and in some cases, without notice. Where we do not give notice we will notify investors of any material changes relating to investment managers or the investment options in the next regular communication following the change, or as otherwise required by law.

Changes to investment managers together with information about current investment managers for particular investment options will generally be posted on our website at bt.com.au.

Additional information relating to hedge funds

Where required under applicable legislative or regulatory requirements, additional information in relation to investment options which are 'hedge funds' will be made available online at bt.com.au.

Labour standards, environmental, social and ethical considerations

For the investment options (excluding the BT Ethical Share Fund), BTIM does not take labour standards or environmental, social or ethical considerations into account when making investment decisions. However, such issues may financially affect an investment and any such financial effect would influence BTIM's investment decisions.

Where external investment managers make investment decisions that affect the investment options, those investment managers may have various policies regarding the extent to which they take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments. BTIM does not consider such factors when selecting, monitoring or replacing external investment managers.

BT Ethical Share Fund

For the BT Ethical Share Fund, BTIM takes labour standards, environmental, social and ethical considerations into account, as well as key financial criteria, when selecting, retaining or realising the investments of the investment option.

Investment guidelines relating to labour standards and environmental, social and ethical considerations are reviewed regularly (usually monthly, but this timeframe is not fixed). If BTIM's review process identifies that an investment ceases to comply with the investment restrictions for the investment option, the investment will usually be sold as soon as is reasonably practicable, having regard to the interests of investors, but this may vary on a case by case basis.

Investments by the investment option are:

- ▶ negatively screened for companies involved in uranium, alcohol, tobacco, gaming products and weapons and companies with environmental or human rights prosecutions
- ▶ positively screened for companies with a 'sustainable' approach to the production of goods or services. The sustainability criteria employed includes areas such as environmental issues, employment practices, and corporate governance and ethics. BTIM will particularly be seeking out initial public offerings of companies which it believes rates well on its criteria.

Definitions of screens

Negative screening means that BTIM excludes companies which do not meet its criteria as set out below. Negative screens are used to exclude companies as follows:

- ▶ uranium: companies which directly mine uranium for the purpose of weapons manufacture
- ▶ weapons: manufacturers of weapons and armaments
- ▶ alcohol and tobacco: producers of these products
- ▶ gaming: manufacturers and providers of gaming facilities
- ▶ environment: companies that have committed significant or recurrent environmental offences within the last three years, or have been successfully prosecuted and required to provide remedies within the last year. Environmental offences are offences which have been prosecuted by Australian State environmental protection agencies and which have been drawn to our attention by various international monitoring agencies, media reports or a company's own voluntary disclosures, as well as those which have been looked into by local governmental authorities

- ▶ human rights: companies that have breached human rights, anti-discrimination or equal opportunity legislation within the last three years, or which have been required to pay compensation or provide remedies for such breaches within the last year. Breaches of human rights are taken to be breaches where cases have been found against companies by the United Nations Human Rights Committee, the Commonwealth Human Rights and Equal Opportunity Commission, Australian State Anti-discrimination and Equal Opportunity tribunals and various international forums on corporate performance regarding human rights.

Positive screening means that BTIM actively identifies companies that meet its specific criteria in 'sustainable' products and services. This includes companies which rate well based on BTIM's valuation driven process but also offer products or services which meet one or more of the following:

- ▶ provide or enact some environmental and/or social benefits through management and/or remediation of environmental resources (e.g. clean technology, waste and emission reduction, waste management reduction and recycling systems, technologies and services)
- ▶ demonstrate or enable reduced adverse environmental and social impacts (including consumption of scarce resources) relative to currently used products or services (covers a range of specialised industry sectors including Material Efficiency Development and improved management of scarce resources)
- ▶ companies exhibiting good work place practices. In assessing this BTIM has regard to labour standards, particularly:
 - occupational health and safety. BTIM considers the manner in which a company deals with its workforce to be a key driver to long term sustainability. BTIM assesses a company's performance by its approach toward relevant state and territory occupational health and safety legislation, as well as its willingness to submit to the rigors of national and international standards that relate to the workplace, such as Australian Standard AS4801 (Occupational Health and Safety Management Systems)



Choosing your investment options (Continued)



- human resource management and workplace relations. This encompasses a company's responsibilities to its own employees in terms of human resource issues. BTIM assesses a company's performance by monitoring regulatory compliance (including industrial disputes and human rights and equal opportunity applications), but this analysis also focuses more broadly on a range of qualitative criteria including equal opportunity, consultation and participation in the workplace
- ▶ established corporate governance procedures and ethics. BTIM considers that a company's corporate governance procedures and ethics are of fundamental importance to its long term sustainability. This analysis focuses on:
 - the manner in which organisational values are established, embraced and reported both within and outside an organisation (e.g. clear and coherent codes of conduct and compliance with corporate governance standards)
 - the way in which these values are reflected in the company's management processes (e.g. policies regarding director share ownership, remuneration procedures and forward-looking succession planning).

Examples of companies that rate well based on BTIM's valuation driven process and which also offer products or services that meet one or more of its criteria include:

- ▶ renewable energy
- ▶ sustainable agribusiness
- ▶ ecotourism
- ▶ information and other technologies, including biotechnologies, medical technologies, healthcare products and services
- ▶ products exhibiting increased recyclability, reusability and reduced resource use, including energy and waste creation.

About the investment manager



Investment Management

Established 1969

BT Investment Management (Institutional) Limited is a wholly owned subsidiary within the BT Investment Management group of companies. BT Investment Management (BTIM) has a unique multi-boutique structure aligning its clients' interests with BTIM's own. This approach brings together multiple investment boutiques run by experienced fund managers who have a real financial interest in the decisions they make and the returns they generate for their investors. BTIM believes this approach firmly positions it to achieve outstanding risk-adjusted returns for its clients.

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 investment managers.

BT Investment Management is listed on the Australian Securities Exchange and manages \$62.1 billion* (31 March 2014) for investors. BT Investment Management is majority owned by the Westpac Group.

* Includes J O Hambro Capital Management assets under management.

Investment option profiles

Key to understanding the investment option profiles



Risk category	<p>Investing involves risk. Before making an investment choice you should consider the length of time your money will be invested, the amount of money you are investing, your attitude to risk, the level of risk you are comfortable with, the level of earnings you are expecting from your investments and other investments you may already have.</p> <p>For a description of each category, the recommended investment timeframe and the type of investor for whom the investment options in each risk category are intended to be suitable, refer to 'The five categories of risk' in the 'Choosing your investment options' section of this PDS.</p>
Investment objective	Details the return the investment option aims to provide. Where an investment option aims to provide an 'overall return' against a benchmark, this return is calculated before the deduction of fees and other costs. The aim for each investment option represents the current target which may change over time. These aims may not be achieved and we do not forecast or guarantee the performance of any investment option.
Investment strategy	The strategy describes the process used by the investment manager when investing in the relevant asset classes to achieve the investment objective.
Investment manager	The investment manager appointed to manage your money. The manager is responsible for day to day investment decisions such as buying, holding or selling assets within the investment option.
Benchmark	The term 'benchmark' here refers to an index or measurement that is used by an investment manager to assess the relative risk and the performance of an investment option. For the diversified investment options, the benchmark is a weighted average of various indices used by each investment manager, according to the asset allocation neutral position and ranges shown in the profiles. Further information on these indices can be found at bt.com.au .
Asset allocation neutral position (NP) and ranges %	Details the ranges for the asset classes in which each investment option invests and, where applicable, asset allocation neutral positions (NPs). The asset allocation neutral position is the starting point for all asset allocation decisions. The investment manager may adjust the exposure within the specified minimum and maximum ranges based on investment views. The most current neutral positions and ranges can be found at bt.com.au .
Investment manager's currency strategy for investment options	Strategy that the investment manager adopts to manage the currency exposure of any international assets that an investment option holds.
Distribution frequency	The frequency that the investment option may make distribution payments.

More information

More detailed information about the investment options can be found in the Fund Fact Sheets on our website at bt.com.au.

Performance information

The latest information about the performance of the investment options is available from our website at bt.com.au, BT Customer Relations or your financial adviser.

Investment option profiles (Continued)



How we calculate performance

Performance figures (post-fee) are calculated in accordance with the Financial Services Council (FSC) standards. Total returns are calculated:

- ▶ to the last day of each month using exit prices
- ▶ taking into account management costs of the relevant investment option
- ▶ assuming reinvestment of distributions (which may include net realised capital gains from the sale of assets of the relevant investment option).

No reduction is made to the unit price (or performance) to allow for tax you may pay as an investor, other than withholding tax on foreign income (if any). Certain other fees such as withdrawal fees (if any) are not taken into account.

Performance figures (pre-fee) are calculated by adding back management costs to the post-fee performance.

Investments can go up and down and past performance is not necessarily indicative of future performance. As the investment options have recommended investment time frames, it may not be appropriate to compare an investment option's performance to its benchmark (if any) over shorter time periods.

Changes to investment option details

We have the right to change the investment option's objective and investment strategy (including the benchmark), asset allocation neutral position and range and currency strategy (if any), without prior notice in some cases. We will inform investors of any material change to the investment option details in their next regular communication or as otherwise required by relevant law. For details on how to obtain up-to-date investment option information, refer to 'Updated information' on the inside front cover of this PDS.

Investment options at a glance

Asset class	Risk category	Investment option name	Recommended investment timeframe	Inception date	Available to New Zealand investors ¹
Diversified	Moderate	BT Active Balanced Fund – NEF	5 years+	Sep-1990	Available
	Moderate	BT Asset Selection Fund	5 years+	Nov-1990	Available
	Moderate	BT Balanced Returns Fund	5 years+	Mar-1991	Available
	Moderate	BT Tax Effective Income Fund – NEF	5 years+	Nov-1993	Not available
	Conservative	BT Split Income Fund	3 years+	Mar-1984	Available
	Conservative	BT Monthly Income Fund	3 years+	Apr-1991	Not available
Diversified shares	Aggressive	BT Diversified Share Fund – NEF	5 years+	Nov-1993	Available
	Aggressive	BT Split Growth Fund	5 years+	Mar-1984	Available
International shares	Aggressive	BT International Share Fund	5 years+	Aug-1989	Available
Australian shares	Dynamic	BT Core Australian Share Fund	5 years+	Dec-1974	Available
	Dynamic	BT Select Australian Share Fund	5 years+	Jun-1998	Available
	Dynamic	BT Ethical Share Fund	5 years+	Aug-2001	Not available
	Dynamic	BT Natural Resources Fund	5 years+	May-1984	Available
Fixed interest	Conservative	BT Australasian Bond Fund	3 years+	Oct-1994	Available
	Conservative	BT Global Bond Fund	3 years+	Oct-1994	Available

¹ Unless otherwise stated, all other investment options referred to in this PDS are not available for investment by New Zealand investors.

	Diversified					
	BT Active Balanced Fund – NEF			BT Asset Selection Fund		
Investment objective	To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.			To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.		
Investment strategy	Invests in a diversified portfolio of Australian and international shares, fixed interest, property securities, alternative investments and cash.			Invests in a diversified portfolio of Australian and international shares, fixed interest, property securities, alternative investments and cash.		
Investment manager	BTIM (together with external managers)			BTIM (together with external managers)		
Benchmark	A range of published indices			A range of published indices		
Asset allocation neutral position (NP) and ranges ¹		NP	Range		NP	Range
	Australian shares	36	28–48	Australian shares	36	28–48
	International shares	19	12–32	International shares	19	12–32
	Australian property	4	0–10	Australian property	4	0–10
	International property	2	0–10	International property	2	0–10
	Australian fixed interest	15	5–32	Australian fixed interest	15	5–32
	International fixed interest	8	0–20	International fixed interest	8	0–20
	Alternative investments	12	0–20	Alternative investments	12	0–20
	Cash	4	0–10	Cash	4	0–10
Investment manager's currency strategy for non-Australian investment options	The international fixed interest, international property and international alternative investment exposures are fully hedged to the \$A to the extent considered reasonably practicable. Generally, the investment option's international share exposure will not be hedged to the \$A.			The international fixed interest, international property and international alternative investment exposures are fully hedged to the \$A to the extent considered reasonably practicable. Generally, the investment option's international share exposure will not be hedged to the \$A.		
Distribution frequency	Quarterly			Quarterly		

1_ For the most current neutral positions and ranges, please refer to bt.com.au.



Investment option profiles (Continued)



	Diversified								
	BT Balanced Returns Fund			BT Tax Effective Income Fund – NEF			BT Split Income Fund		
Investment objective	To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.			To provide a regular tax effective income as well as some capital growth over the long term to keep pace with inflation.			To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.		
Investment strategy	Provide income and growth through a more balanced mix of asset classes.			Invests in Australian shares, fixed interest, alternative investments, listed property trusts, convertible preference shares and cash. The tax effectiveness arises from dividend imputation from Australian shares and tax deferred income from listed property trusts.			Primarily provide income.		
Investment manager	BTIM (together with external managers)			BTIM			BTIM (together with external managers)		
Benchmark	A range of published indices			A range of published indices			A range of published indices		
Asset allocation neutral position (NP) and ranges¹		NP	Range		NP	Range		NP	Range
	Australian shares	31	23–43	Australian shares	35	20–50	Australian shares	12	2–22
	International shares	16	10–30	Australian property	20	10–30	International shares	5	0–15
	Australian property	5	0–10	Australian fixed interest	22.5	10–35	Australian property	6	0–10
	International property	2	0–10	Convertible preference shares (hybrid securities)	7.5	0–15	International property	2	0–10
	Australian fixed interest	20	5–32	Alternative investments	0	0–5	Australian fixed interest	38	20–60
	International fixed interest	10	0–20	Cash	15	5–50	International fixed interest	20	5–35
	Alternative investments	12	0–20				Alternative investments	5	0–20
	Cash	4	0–20				Cash and other	12	0–35
	The international fixed interest, international property and international alternative investment exposures are fully hedged to the \$A to the extent considered reasonably practicable. Generally, the investment option's international share exposure will not be hedged to the \$A.			Not applicable			The international fixed interest, international property and international alternative investment exposures are fully hedged to the \$A to the extent considered reasonably practicable. Generally, the investment option's international share exposure will not be hedged to the \$A.		
	Quarterly			Monthly			Quarterly		

¹_ For the most current neutral positions and ranges, please refer to bt.com.au.

	Diversified			Diversified shares		
	BT Monthly Income Fund			BT Diversified Share Fund – NEF		
Investment objective	To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.			To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.		
Investment strategy	Provide a fixed monthly income.			Invests primarily in a mix of Australian and international shares.		
Investment manager	BTIM (together with external managers)			BTIM (together with external managers)		
Benchmark	A range of published indices			A range of published indices		
Asset allocation neutral position (NP) and ranges ¹		NP	Range		NP	Range
	Australian shares	8	0–18	Australian shares	50	25–75
	International shares	4	0–14	International shares	50	25–75
	Australian property	6	0–10	Cash and other	0	0–30
	International property	2	0–10			
	Australian fixed interest	40	20–60			
	International fixed interest	20	5–35			
	Alternative investments	5	0–20			
	Cash and other	15	0–40			
Investment manager's currency strategy for non-Australian investment options	The international fixed interest, international property and international alternative investment exposures are fully hedged to the \$A to the extent considered reasonably practicable. Generally, the investment option's international share exposure will not be hedged to the \$A.			Generally, the investment option's international share exposure will not be hedged to the \$A.		
Distribution frequency	Monthly			Half yearly (June and December)		

¹ For the most current neutral positions and ranges, please refer to bt.com.au.



Investment option profiles (Continued)



	Diversified shares			International shares	Australian shares
	BT Split Growth Fund			BT International Share Fund	BT Core Australian Share Fund
Investment objective	To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.			To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.	To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.
Investment strategy	Invests in a selection of Australian and international shares.			The investment option is actively managed and seeks what the manager perceives to be the best investment opportunities within a broad range of international investments. While the investment option can invest in any international market that offers attractive opportunities, most investments will be located in the United States, Europe and Japan.	Provide capital growth over the long term by investing in a diversified portfolio of Australian shares.
Investment manager	BTIM (together with external managers)			Investment manager selected by BTIM	BTIM
Benchmark	A range of published indices			MSCI World ex Australia (Standard) Index (Net Dividends) in AUD	S&P/ASX300 Accumulation Index
Asset allocation neutral position (NP) and ranges¹		NP	Range	International shares ²	Australian shares ²
	Australian shares	20	15–25		
	International shares	80	75–85		
Investment manager's currency strategy for non-Australian investment options	Approximately 25% of the international share portion is hedged to the \$A to the extent considered reasonably practicable.			Generally, the investment option's international share exposure will not be hedged to the \$A.	Not applicable
Distribution frequency	Quarterly			Quarterly	Quarterly

1_ For the most current neutral positions and ranges, please refer to bt.com.au.

2_ Generally the cash exposure of the investment option is less than 10% but it could be up to 20%.

	Australian shares	
	BT Select Australian Share Fund	BT Ethical Share Fund
Investment objective	To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.	To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.
Investment strategy	Invests primarily in Australian shares. You may also receive some tax effective income.	Actively seeks out companies which we feel demonstrate superior environmental and social practices and offer sustainable products and services. This includes companies already listed on the ASX and investment in initial offerings.
Investment manager	BTIM	BTIM
Benchmark	S&P/ASX300 Accumulation Index	S&P/ASX300 Accumulation Index
Asset allocation neutral position (NP) and ranges ¹	Australian shares ²	Australian shares ²
Investment manager's currency strategy for non-Australian investment options	Not applicable	Not applicable
Distribution frequency	Quarterly	Half yearly (June and December)

1_ For the most current neutral positions and ranges, please refer to bt.com.au.

2_ Generally the cash exposure of the investment option is less than 10% but it could be up to 20%.



Investment option profiles (Continued)



	Australian shares			Fixed interest		
	BT Natural Resources Fund			BT Australasian Bond Fund		BT Global Bond Fund
Investment objective	To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.			To provide a return (before fees and taxes) that exceeds the return from its benchmark when measured over the recommended investment timeframe.		Aims to provide an overall return (before fees and taxes) that exceeds the return from the benchmark, when measured over the recommended investment timeframe.
Investment strategy	Provides a broad exposure to the resources market by investing in larger and smaller resource companies, which we believe represent good value.			Invests primarily in Australian and New Zealand bonds.		The investment option invests primarily in international government bonds.
Investment manager	BTIM			BTIM		Investment manager selected by BTIM
Benchmark	Resources stocks ² listed in the S&P/ASX 300 Accumulation Index. Benchmark is composed of 50% resources stocks in S&P/ASX 100 Index plus 50% resources stocks in ASX Small Ordinaries Index.			UBS Australian Composite Bond All Maturities Index		Citigroup World Government Bond Index \$A (unhedged)
Asset allocation neutral position (NP) and ranges¹		NP	Range			
	Australian shares	100	75–100	Australian and New Zealand bonds. This investment option has no maximum cash exposure.		
	International shares	0	0–25			
Investment manager's currency strategy for non-Australian investment options	Not applicable			The investment option's international asset exposure will be fully hedged to the \$A to the extent considered reasonably practicable.		The manager may hedge a maximum of 40% into \$A
Distribution frequency	Half-yearly			Quarterly		Quarterly

1_ For the most current neutral positions and ranges, please refer to bt.com.au.

2_ Resource stocks as per Global Industry Classifications – oil and gas integrated/exploration and production, coal and consumable fuels, aluminium, diversified metals, mining, gold, precious metals and minerals.

Fees and other costs

DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your account 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.
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 investment fee calculator to help you check out different fee options.



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

Taxes are set out in another part of this document.

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

Fees and costs for particular investment options are set out on page 29.

Fees and other costs (Continued)



Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the managed investment options		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil. However a buy-sell spread may apply ¹ .	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Management costs		
The fees and costs for managing your investment. The amount you pay for specific investment options is shown on page 29.	<p>Issuer fee 0.97% – 1.98%² p.a. charged on the investment option's asset value</p> <p>Plus</p> <p>Expense recoveries estimated to be 0.00 – 0.62%³ p.a. of the investment option's asset value</p> <p>Plus</p> <p>Regulatory Change Expense Recovery⁴ of up to 0.10% p.a. of the investment option's asset value</p>	<p>Depending on the investment option, issuer fees are calculated on the asset value of the investment option either daily or monthly and generally deducted monthly from the assets of the investment option.</p> <p>The amount of the issuer fee can be negotiated by investors qualifying as wholesale investors and us.</p> <p>Expenses are generally deducted from the assets of the investment option monthly.</p> <p>The Regulatory Change Expense Recovery is deducted from the assets of the investment option(s), and reflected in the unit price, on a daily basis.</p>
Service fees⁵		
Switching fee The fee for changing investment options	Nil ⁶	Not applicable

1_ Refer to 'Further information on management costs and buy-sell spread' later in this section for further information.

2_ The issuer fees are based on the latest available figures as at 30 June 2013. The issuer fee is the fee for managing the assets of an investment option and overseeing the operations of the investment option. The issuer fee may increase or decrease over time.

3_ The estimated expense recoveries are based on the latest available figures as at 30 June 2013. Expense recoveries is an estimate of the out-of-pocket expenses the Responsible Entity is entitled to recover from the investment option. The actual expenses recovered may increase or decrease over time.

We do not separately recover expenses for some investment options. Instead, we bear these expenses out of our issuer fee at no additional cost to you. For those investment options for which we do not separately recover expenses, the estimated expense recoveries are shown as 'Nil'.

4_ Recent regulatory reforms have required us to undertake a significant program of work to implement the reforms. In addition, we (along with other superannuation providers) are being charged a levy to help fund government costs for supervising the superannuation industry; which we are entitled to recover. To help cover the significant cost of implementing these reforms and levies, the investment option's indirect cost ratio may increase by up to 10%. This increase will commence from 1 July 2014 for cost recoveries only and is expected to apply until reform implementation is completed in 2017. The amount charged will be reduced by any tax benefit you are entitled to receive.

5_ Other fees and costs may also apply, such as any advice fees that you've agreed with your financial adviser.

6_ Other fees and costs may apply for changing investment options. Please refer to the 'Additional explanation of fees and costs' section below.

Additional explanation of fees and costs

Taxes

Information regarding some taxes relevant to your investment in the investment options is set out in the 'Taxation' section of this PDS.

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

Indirect investors – additional master trust or wrap account fees

For indirect investors accessing the investment options through a master trust or wrap account, additional fees and costs may apply. These fees and costs are stated in the offer document provided by your master trust or wrap account operator.

Adviser remuneration

Please be aware: if you are using the services of a financial adviser, your adviser may charge you a fee for implementing your BT Classic Investment Funds account and for providing ongoing advice services to you. Details of your adviser's fees will be set out in the Financial Services Guide (FSG) and Statement of Advice which your financial adviser is required by law to provide to you.

Advice fee

If you have an adviser who is registered with BT, you can agree to pay them an advice fee for personal financial advice relating to your BT Investments. An advice fee is an optional one-off fee and/or ongoing monthly fee payment (payable across all your investment options), which is paid to your financial adviser for personal financial advice relating to your BT Investments.

An advice fee only applies if you and your financial adviser have agreed to this fee and have sent a completed BT Advice Fee form to us to commence an advice fee arrangement. A percentage based advice fee cannot be paid on any amounts you have borrowed to invest.

Details of any fees you agree to pay your adviser should be set out in the Statement of Advice and, if applicable, your annual Fee Disclosure Statements provided by your adviser.

Your adviser is obliged to give you the opportunity to review any ongoing fee arrangement with them at least every two years and to decide if your arrangement should continue. We will continue to deduct any adviser service fees nominated unless you or your adviser tells us otherwise. It is your and your financial adviser's responsibility to notify us to cease payment of adviser fees in the event that the ongoing advice fee arrangement is either terminated or is not renewed. If you have established an ongoing advice fee arrangement for your account, we will continue to deduct advice fee payments from your account until we have been advised by you or your adviser to cancel the arrangement by sending us an Advice Fee Cancellation form.



Fees and other costs (Continued)



The table below sets out the advice fee options you and your financial adviser may agree on for your BT Investments. Details of any advice fees and fee rebates will appear on your periodic statements. Any advice fees will be inclusive of GST.

Type of advice fee	Amount	How and when paid
One-off advice fee This is charged as a one-off fixed dollar fee.	The amount agreed by you and your financial adviser.	Deducted from your investment as a fixed dollar amount as at the date we receive your request.
Ongoing advice fee This is a regular monthly fee which can be paid to your adviser as either a fixed dollar fee or percentage of your account balance. The ongoing advice fee will continue to be charged up until a pre-determined cessation date, if agreed between you and your adviser, or if cancelled by you or your adviser at any time by sending us a completed Advice Fee Cancellation form. The ongoing advice fee arrangement is not available if an investment option you are invested in is illiquid, or becomes illiquid.	The total maximum advice fee that can be charged in any 12 month period ¹ is \$5,000 or 2.5% of your account balance when an advice fee payment is deducted from your account, whichever is lower.	Deducted at the end of each month from your investment as either: <ul style="list-style-type: none"> ▶ a fixed dollar amount, or ▶ a percentage amount based on your end of month investment balance as agreed with your financial adviser.
Advice fee rebate If you commence an advice fee arrangement with your financial adviser, you will receive a fee rebate to your account, representing the refund of ongoing commission amounts included (where applicable) in the management costs of your investment options. The advice fee rebate is not available for any illiquid investment option.	Up to 0.88% p.a. depending on which investment options you are invested in.	Calculated based on the asset value of your investment options at the end of the month, and generally credited as additional units proportionally to all your investment options at the end of the month.

¹ The 12 month period is based on the 12 months up to and including the month for which the advice fee payment is to be deducted.

Example – one-off advice fee

For a \$50,000 balance and an agreed one-off advice fee of \$500, you would pay \$500 as a one-off advice fee to your financial adviser.

Example – ongoing advice fee

Based on an end of month account balance of \$50,000 and an agreed ongoing advice fee of 2% per year, at the end of the month you would pay \$83.33 $[(2\% \times \$50,000)/12]$ in advice fees for the month to your financial adviser.

Example – advice fee rebate

Based on an end of month account balance of \$50,000 in the BT Balanced Returns Fund investment option, at the end of month you would receive an advice fee rebate of \$25 $[(0.60\% \times \$50,000)/12]$.

Ability to negotiate fees – wholesale clients

If you are classed as a wholesale client (such as a professional investor) under the *Corporations Act 2001*, in accordance with Australian Securities and Investments Commission (ASIC) policy, all fees described in this PDS may be individually negotiated. There is no set manner or method of negotiating fees. Please contact us on 132 135 for further information.

Management costs cap

It is our current practice for the BT Asset Selection Fund, BT Select Australian Share Fund and the BT International Share Fund to 'cap' the management costs we charge for these investment options to the amounts specified in the following table.

Investment option	Management costs cap (% p.a. of the investment option's asset value)
BT Asset Selection Fund	1.40%
BT Select Australian Share Fund	1.20%
BT International Share Fund	1.40%

Any expenses or costs incurred in excess of the relevant cap, exclusive of those incurred in respect of the application of GST, will be met by us out of our own money and will not be charged to the investment option. If a management costs cap is to be increased, or removed entirely, we will give investors in the relevant investment option 30 days' written notice.

Fee rebates

Existing investors in the BT Asset Selection Fund, BT Select Australian Share Fund and BT International Share Fund

If the aggregate investment in the BT Asset Selection Fund, BT Select Australian Share Fund and BT International Share Fund of you and your associates (as detailed below) equals or exceeds \$2 million, you qualify for a 0.10% rebate of the issuer fee.

Payment of this rebate is subject to ASIC policy and law. Payment may be made by us, a related party or one of our licensed intermediaries.

We will not aggregate investments of your associates unless you provide satisfactory evidence of the association. The rebate will not apply until we receive this evidence. The reference to investments of your associates means investments in the BT Asset Selection Fund, BT Select Australian Share Fund and BT International Share Fund that are held by:

- ▶ your spouse (or de facto/partner)
- ▶ you or jointly with your spouse (or de facto/ partner)
- ▶ a trust (where you are a trustee and a beneficiary)
- ▶ a company in which you and/or your spouse (or your de facto/partner) hold at least 50% of the shares
- ▶ the same legal owner as your investment.

We will not pay you the rebate in respect of your investment (or that of your associates) to the extent we have already paid any of your associates the rebate in respect of the same investments.

The rebate is calculated on the minimum number of units held during the distribution period, multiplied by the quoted exit price on the last day of the distribution period. The amount will be calculated at the end of each distribution period and generally credited within one month. The rebate will be invested proportionately into the relevant investment options at the quoted entry price for the first business day following the distribution period. If the terms of this fee rebate and the method of its calculation are to be altered, or the fee rebate removed entirely, we will give investors in the relevant investment option 30 days' written notice.



Fees and other costs (Continued)



Transaction costs

Transaction costs are costs relating to the buying and selling of assets (such as brokerage and stamp duty) and are costs that an investor would incur if he or she invested directly in the assets of the investment option. Transaction costs are not included in the 'Management costs' section of the 'Type of fee or cost' table. Rather, these costs are borne indirectly by investors by reducing returns generated by the investment option and, therefore, the value of your investment. The buy-sell spread is an adjustment made by us to the unit price to cover those transaction costs associated with investors entering or exiting the investment option (see 'Buy-sell spread' below).

Buy-sell spread

The buy-sell spread is an adjustment to the unit price so that there is a difference between the entry and exit price for the investment option. The buy-sell spread is an additional cost to you and is generally incurred whenever you invest, switch or withdraw funds. As the cost is built into the unit price, the buy-sell spread will not appear on any statement we issue. There is no buy-sell spread for distributions that are reinvested.

The buy-sell spread is retained by the investment option (it is not a fee paid to us) and represents a contribution to the transaction costs (such as brokerage) incurred when the investment option is purchasing or selling assets. The purpose of imposing the buy-sell spread is to ensure these costs are fairly borne by investors joining and leaving the investment option, and that other investors (i.e. those not joining or leaving at a particular time) are not disadvantaged.

The current buy-sell spread for each investment option is set out in 'Further information on management costs and buy-sell spread' later in this section. The buy-sell spread is stated as a percentage of the net asset value of each investment option and is represented as the difference between the entry price and the exit price.

We may vary the buy-sell spread for any investment option from time to time. We will not ordinarily provide notice; however the updated information will be posted on bt.com.au.

Example of buy-sell spread for a balanced investment option

This table gives an example of how the buy-sell spread in the balanced investment option for this product can affect your investment if you invested \$50,000 at a buy-sell spread of 0.25% as at 31 March 2014.

Calculation for BT Balanced Returns Fund	Amount	How and when paid
$\$50,000 \times 0.25\%$	\$125	Generally, you incur this cost partly when you invest and partly when you withdraw from an investment option ¹ .

¹ Additional fees may apply. Please note that this example does not capture all the fees and costs described in this section that may apply to you, such as incidental fees and costs.

Incidental fees and costs

In addition to the fees and costs set out above, standard government fees, duties and bank charges may also apply to investments and withdrawals (including dishonour fees and conversion costs) and are paid by you.

Changes in fees and other costs

Increases to withdrawal fees

The maximum withdrawal fee allowable for an investment option is set out in the constitution. The constitution allows us to alter the withdrawal fees at our discretion. If a withdrawal fee is to be increased, we will give investors in the relevant investment option 30 days' written notice.

The maximum withdrawal fee allowable for each investment option is as follows.

Investment option	Withdrawal fee
BT Diversified Share Fund – NEF	5%
BT Active Balanced Fund – NEF	
BT Tax Effective Income Fund – NEF	
BT Core Australian Share Fund	
BT Ethical Share Fund	
BT Natural Resources Fund	
All other investment options	Not permissible under the relevant constitutions



We do not currently charge withdrawal fees and we will give investors in the relevant investment option 30 days' written notice if a withdrawal fee is to be introduced.

Increases to management costs

As shown in the 'Type of fee or cost' table, management costs consist of two components:

- ▶ an issuer fee and
- ▶ expense recoveries.

Issuer fee

This is the fee for overseeing the operations and managing the assets of the investment options.

The maximum issuer fee allowable for each investment option is set out in the constitution and is shown in 'Further information on management costs and buy-sell spread' later in this section. The constitution allows us to alter the issuer fee at our discretion. If the issuer fee is to be increased, we will give investors in the relevant investment option 30 days' written notice.

Expense recoveries

Important note: Recent regulatory reforms have required us to undertake a significant program of work to implement the reforms. To help cover the significant cost of implementing these reforms, the managed investment scheme's Indirect Cost Ratio (ICR)* will increase by up to 0.10% p.a. for cost recoveries only and are expected to apply until reform implementation is completed in 2017.

* The **Indirect Cost Ratio (ICR)** for an investment option offered by a managed investment scheme is the ratio of the management costs for the option that aren't deducted directly from a product holder's account, to the total average net assets of the managed investment scheme that relates to the investment option. A fee deducted directly from your account is not included in the ICR.

Expense recoveries represent a reimbursement from an investment option to cover those expenses incurred by us as Responsible Entity in connection with the day to day operation of the investment option. It is made up of expenses such as registry costs, printing costs of PDSs, annual reports and statements and certain direct expenses such as overseas custodian charges and audit fees. Generally, we are only entitled to be reimbursed for expenses we incur in the proper performance of our duties. The constitutions for some of the investment options further restrict our ability to be reimbursed for expenses by limiting the amount that can be recovered for certain types of expenses. Transaction costs are not included in this measure (refer to 'Transaction costs' earlier in this section).

We do not separately recover expenses for some investment options. Instead, we bear these expenses out of our issuer fee at no additional cost to you. For those investment options for which we do not separately recover expenses, the estimated expense recoveries are shown as 'Nil'. As at the date of this PDS, we intend to continue our current practice of recovering expenses out of our issuer fee for these investment options. However, if we decide to separately recover expenses in addition to the issuer fee for these investment options, we will give investors in the relevant investment option, 30 days' written notice of our change in practice.

An estimate of expense recoveries for each investment option based on the latest available figures as at 30 June 2013 is shown in 'Further information on management costs and buy-sell spread' later in this section. The actual expenses recovered may increase or decrease over time.

Fees and other costs (Continued)



When we can introduce new fees not currently charged

The constitutions of the investment options may provide that we can charge the fees in the table below. The fees that are permissible and the maximums allowable differ for each investment option. Please visit bt.com.au or call us on 132 135 for details of which fees may apply to a particular investment option.

At the date of this PDS we do not charge these fees but if we introduce them for any of the investment options, we will give investors in the relevant investment option 30 days' written notice.

Fee	Description	Maximum allowable
Administration fee	Fee retained by us out of the assets of the investment option as additional remuneration for our services in administering the investment option.	Generally 0.5% p.a. calculated using the net asset value of each unit on issue at the end of each distribution period ¹ .
Investment option termination fee	Fee charged on the termination of an investment option.	0.125% of the value of the termination.
Dishonour fee	Fee charged if your application cheque or direct debit is dishonoured.	\$20

¹ For some investment options, the administration fee may be calculated at other periods such as quarterly.

Fund manager payments and product access payments

From the fees we receive we may pay (at our discretion) amounts to any wrap platform, master trust or other investment administration service ('Platform') through which the investment options are made available. We make the following type of payments to Platforms:

- ▶ product access payments (as a flat dollar amount p.a.) for administration and investment related services, which may be an amount of up to \$9,000 p.a. (GST inclusive) per Platform
- ▶ fund manager payments (based on volumes of business generated), which may be an amount of up to 70% of our issuer fee for Platforms external to the Westpac Group, and an amount of up to 100% of our issuer fee for Platforms provided by members of the Westpac Group.

The amount of these payments may change during the life of this PDS. As these amounts are paid by us out of our own resources, they are not an additional cost to you.

Rebates/waivers for interfunding arrangements

From time to time, the investment options (the investing fund) may invest in other funds that we, or a related entity, manage (the related fund). Our current policy is:

- ▶ no contribution fee is payable to the related fund
- ▶ issuer fees are either not collected by the related fund, or if they are, they are rebated in full to the investing fund
- ▶ certain expense recoveries (if any) are fully rebated to the investing fund, but the related fund may incur those expenses up to its own limit (if any) as set out in the constitution.

Further information on management costs and buy-sell spread

The management costs and maximum issuer fees shown in the table below are quoted on a GST inclusive basis and net of any applicable RITCs available to the investment options.



Investment option name	Management costs			Maximum issuer fee permitted under the constitution (%)	Buy-sell spread ⁴
	Issuer fee (% p.a.) ¹	Estimated expense recoveries (% p.a.) ^{2, 3}	Estimated total (% p.a.)		
BT Active Balanced Fund – NEF	1.88	0.28	2.16	2.15	0.28
BT Asset Selection Fund	1.33	0.04	1.37	2.05	0.28
BT Balanced Returns Fund	1.79	0.23	2.02	2.05	0.25
BT Tax Effective Income Fund – NEF	1.88	0.27	2.15	2.15	0.22
BT Monthly Income Fund	1.79	0.30	2.09	2.05	0.14
BT Split Income Fund	1.28	0.28	1.56	1.28	0.16
BT Diversified Share Fund – NEF	1.98	0.32	2.30	2.15	0.30
BT Split Growth Fund	1.28	0.29	1.57	1.28	0.18
BT International Share Fund	1.33	0.10	1.43	1.54	0.10
BT Core Australian Share Fund	1.62	0.28	1.90	2.20	0.40
BT Select Australian Share Fund	1.23	Nil	1.23	2.05	0.50
BT Ethical Share Fund	1.75	0.49	2.24	3.18	0.40
BT Natural Resources Fund	1.62	0.30	1.92	2.18	0.40
BT Australasian Bond Fund	0.97	0.30	1.27	1.54	0.12
BT Global Bond Fund	1.28	0.63	1.91	1.54	0.10

- 1_ The issuer fees are based on the latest available figures as at 30 June 2013. The issuer fee may increase or decrease over time.
- 2_ This is an estimate of the out-of-pocket expenses we are entitled to recover from the investment option as the Responsible Entity and is rounded to two decimal places. The estimated expense recoveries are based on the historical fees as at 30 June 2013 and whilst this may be a useful guide to future expenses, the actual expenses recovered may increase or decrease over time. We do not separately recover expenses for some investment options. Instead, we bear these expenses out of our issuer fee at no additional cost to you.
- 3_ This estimate excludes the Regulatory Change Expense Recovery: Recent regulatory reforms have required BT to undertake a significant program of work to implement the reforms. To help cover the significant cost of implementing these reforms, the investment option's Indirect Cost Ratio may increase by up to 0.10%. This increase will commence from 1 July 2014 for cost recoveries only and is expected to apply until reform implementation is completed in 2017. The expense recoveries estimates shown in the table do not include any amounts for the Regulatory Change Expense Recovery.
- 4_ The buy-sell spreads are based on the latest available figures as at 31 March 2014 and are an indication of the estimated buy-sell spread for each of the investment options. The applicable buy-sell spread may vary from time to time. Updated buy-sell spread information is available on our website bt.com.au.

Example of annual fees and costs for a balanced investment option

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

Example — BT Balanced Returns Fund		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution Fees	Nil	For every \$5,000 you put in you will be charged \$0.
PLUS		And , for every \$50,000 you have in the investment option, you will be charged \$1,060 each year.
Management Costs	1. 79% ¹ per year issuer fee <i>plus</i> 0.23% ¹ per year expense recoveries <i>plus</i> 0.10% per year Regulatory Change Expense Recoveries ² <i>equals</i> 2. 12% per year deducted indirectly	
EQUALS		
Cost of investment option		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: \$1,060³ What it costs you will depend on the investment option you choose and the fees you negotiate.

- 1_ The management costs shown are based on the latest available figures as at 30 June 2013. Please refer to the 'Type of fee or cost' table for information on the components of management costs. This example assumes the \$5,000 contribution occurs at the end of the first year, therefore management costs are calculated using the \$50,000 balance only.
- 2_ This amount is being charged to help cover the significant cost of implementing recent government regulatory reforms and is expected to apply until reform implementation is completed in 2017.
- 3_ Additional fees may apply:
— please note that this example does not capture all the fees and costs described in this section that may apply to you, such as incidental fees and costs and any applicable buy-sell spread (see worked dollar example under the heading 'Buy-sell spread' earlier in this section).
— no withdrawal fees are payable in relation to this investment option.

Managing your investment



Transacting made easy

		Online	Phone	Mail
		bt.com.au	BT Customer Relations 132 135	BT Financial Group GPO Box 2675 Sydney NSW 2001
Additional investment	There is no minimum amount for additional investments.	Direct debit – you must have a direct debit authority in place. BPAY® – from your own bank using BPAY®.	Direct debit – you must have a direct debit authority in place. BPAY® – from your own bank using BPAY®.	Include your investor number, name, investment option, amount and signed by the appropriate signatories ¹ . Cheque made payable to BTFG – Classic – <investor name>.
Regular Investment Plan	There is no minimum amount for additional investments made under the Regular Investment Plan.	Yes, if you have a direct debit authority in place.	Yes, if you have a direct debit authority in place.	Complete the relevant sections of the Application Form (or Additional and Regular Investments Request form available at bt.com.au) and refer to the Direct Debit Request Service Agreement. To use the payroll deduction facility, complete the relevant sections of the Application Form.
Switch	There is no minimum switch amount.	Yes	Yes	Include your investor number, name, which investment option the switch is coming from and going to, the amount, the distribution option and signed by the appropriate signatories ¹ .
Withdraw	There is no minimum withdrawal amount.	Yes, if we have received full details of your bank account including the BSB in writing (not faxed).	Yes, if we have received full details of your bank account including the BSB in writing (not faxed).	Include your investor number, name, investment option, amount and signed by the appropriate signatories ¹ . Paid directly to your bank account (include account details) or by cheque.
Additional features				
Setting up or amending a Flexi Payment Plan	There is no minimum amount.	Not available	Amendments only	Complete the relevant sections of the Application Form (or the Flexi Payment form available at bt.com.au), signed by the appropriate signatories ¹ .
Change account details	Change details such as your name, address and bank account.	Yes. Details such as your address can be changed online.	Yes. Details such as your address can be changed over the phone.	Details such as your name and bank account can only be changed in writing (not faxed). For name changes, we will need a specimen of your old and new signatures.
SMS notification service	We can SMS your Australian mobile phone to confirm your transaction has been processed, when you make a one-off investment or withdrawal, or update your address. This service is free of charge – visit bt.com.au to sign up and read the terms and conditions of this service. You can also register by calling us on 132 135, or completing the relevant section of the Application Form or transaction request form.			

¹ Signatories for a company transaction must state their capacity to sign on behalf of the company.

Investing through master trusts or wrap accounts

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

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

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

If you invest through a master trust or wrap account you may be subject to different conditions from those referred to in this PDS, particularly in regard to:

- ▶ how to transact on your investment (e.g. initial and additional investments and withdrawals)
- ▶ minimum balances
- ▶ cooling-off period and rights (no cooling-off rights apply to any investments in the investment options acquired through a master trust or wrap account operator)
- ▶ distribution, processing and withdrawal timing
- ▶ cut-off times for transacting (e.g. applications and withdrawals)
- ▶ fund reporting and other documentation (investment option reports and investor notices are sent to the master trust or wrap account operator who then provide information to indirect investors)
- ▶ fees and other costs (additional fees and expenses may be charged by the operator or custodian of the master trust or wrap account).

Investors in the master trust or wrap account should contact their financial adviser or master trust or wrap account operator for any investor queries.

Cooling-off period

You have a 14-day cooling-off period to check that the investment meets your needs. This applies to investments:

- ▶ that are additional investments into an investment option but not reinvestments of distributions, switches or deposits made under the Regular Investment Plan
- ▶ where you have not exercised any rights conferred by the investment during the cooling-off period.

The 14-day cooling-off period commences on the earlier of:

- ▶ of the date you receive confirmation of your application
- ▶ the end of the fifth business day after the day we issue units to you.

If you exercise your cooling-off rights, we will return your money to you. However, we may be obliged to deduct any tax or duty incurred by us and reasonable administrative and transaction costs. As a result, the amount returned to you may be less than the amount you invested. The amount you receive will reflect any movement (either up or down) in the unit price of the investment option(s) which means there may be tax implications for you. You may receive an annual tax statement if you withdraw units during the year.

Australian investors may exercise their cooling-off rights by sending a letter to us or by emailing coolingoff@btfinancialgroup.com.

New Zealand investors may exercise their cooling-off rights by sending a letter to BT New Zealand Client Services at PO Box 6088, Wellesley Street, Auckland 1141 or by emailing nzclientservices@btnz.co.nz. Your request should include your personal details, your investor number and the date of your application.

Cooling-off rights do not apply to:

- ▶ any investments in the investment options acquired through a master trust or a wrap account operator
- ▶ 'wholesale' clients or where an investment option is illiquid.

Please refer to 'Restrictions' in the 'Other important information' section of this PDS for details of what is an illiquid investment option.





Transacting

Additional investments

You can add to your investment by:

- ▶ direct debit using BT Link or BT Online. Please refer to 'Our electronic facilities' in the 'Other important information' section of this PDS for the terms and conditions
- ▶ a Regular Investment Plan
- ▶ sending a cheque with a completed Application Form or Additional Investment Form
- ▶ using your financial institution's BPAY® facility. Each investment option's Biller Code and Reference Number are listed on BT Online. The BPAY® facility is not currently available in New Zealand.

Regular Investment Plan

The Regular Investment Plan allows you to make regular monthly investments via direct debit or payroll deduction.

To make regular investments by direct debit please complete the relevant sections of the Application Form and refer to 'Our electronic facilities' in the 'Other important information' section of this PDS for the terms and conditions of the Direct Debit Request Service Agreement. You can elect to have your payments deducted from your nominated bank account on or around the 19th of each month.

You can change, cancel or suspend your Regular Investment Plan at any time without penalty. To ensure any changes are effective by the next scheduled debit, we need your instructions seven business days before the payment date. Any request received after this may result in the change being effective for the following month.

To use the payroll deduction facility, complete the relevant sections of the Application Form. Upon receipt of your Application we will send you a letter to give to your employer (i.e. your human resources manager or payroll officer), with the details required by them to begin making regular contributions from your salary. The payroll deduction facility for the Regular Investment Plan is not available to New Zealand investors.

For regular investments made by direct debit, if you withdraw from an investment option in full, your Regular Investment Plan will stop automatically. For regular investments made by payroll deduction, you must contact your employer to stop investments.

For New Zealand investors, the Regular Investment Plan allows you to make regular monthly investments directly from your New Zealand bank account. We will deduct a NZD equivalent to your AUD regular investment each month. Movements in the NZD/AUD foreign exchange rate will lead to the NZD amount deducted from your New Zealand bank account changing from month to month.

Switching

Switching means withdrawing from one investment option to invest in another. Please note that this may have Capital Gains Tax (CGT) implications.

You can switch from one investment option in this PDS to another provided you are an existing investor in the investment option you are switching to. If you switch out of an investment option available in this PDS and it results in a zero balance, you will be unable to invest in that investment option in the future.

If you have a Regular Investment Plan and make a full switch, we will transfer the plan to the investment option you switch to.

If you currently have holdings in the investment option you are switching to, your distribution instructions will remain as previously nominated for that investment option.

In some cases, fees may apply (refer to the 'Fees and other costs' section).

Switching to or from investment options in the BT Investment Funds range

You may switch to any investment option offered in the current BT Investment Funds PDS, provided you sign the relevant Application Form. Please refer to the current BT Investment Funds PDS for further information on how to apply for units in those investment options.

If you are already an investor in any of the investment options in the BT Investment Funds range, you can switch from those investment options into any of the investment options in this PDS in which you are an existing investor.

Important note on making additional investments and switching

The PDS for these investment options may be updated or replaced from time to time. You can request a copy of the most recent PDS, which will be provided free of charge.

Withdrawing

There is no minimum withdrawal amount. Any applicable withdrawal fees will be deducted before the withdrawal is paid to you. You can withdraw from your investment by:

- ▶ using BT Link or BT Online (if you have provided bank account details in the relevant section of the Application Form)
- ▶ faxing a letter or completed withdrawal form from any Westpac branch in Australia
- ▶ faxing a letter or completed withdrawal form to the fax number on the inside back cover (provided you have already supplied us with your bank account details and an authority to act on your fax). To use the fax facility, complete the relevant section of the Application Form. Please refer to 'Our electronic facilities' in the 'Other important information' section of this PDS for terms and conditions
- ▶ mailing a letter (including full details of your bank account and BSB number) or completed withdrawal form to the address on the inside back cover of this PDS.

New Zealand investors can elect to have the proceeds of their withdrawals directly credited to their Australian bank account, to their New Zealand bank account or paid by AUD cheque to their postal address. For withdrawals paid to a New Zealand bank account, we will arrange conversion of the AUD withdrawal to NZD using a conversion rate usually within two business days of the withdrawal being processed. AUD cheques are subject to various bank clearance times.

Distributions

Distributions are generally assessable income and can be made up of both income and realised capital gains, and will vary depending on the factors that influence the performance of the investment option (such as interest rates and market conditions), and may not be paid at all. Please refer to the 'Taxation' section of this PDS for further information.

You can choose to have your distributions:

- ▶ automatically reinvested into additional units in the same investment option
- ▶ paid directly into your nominated bank account
- ▶ paid into the BT Cash Management Trust (if you are already in this investment option).

For all investment options, distributions are calculated on a cents per unit basis in accordance with the relevant investment option's constitution. Income and net realised capital gains (if any) accrue in the unit price during the distribution period. This means that if an investment is made just before the end of a distribution period, you may receive some of the investment back immediately as income. Immediately following a distribution, an investment option's unit price will usually fall because the income accumulated during the distribution period has been distributed. Net realised capital gains may also have been distributed.

Distribution payments are generally made within 10 business days after the end of the distribution period. Where the timing of payments is expected to exceed 10 business days, information on the proposed date will generally be available at bt.com.au.

For New Zealand investors, you can elect to reinvest your distributions, have them credited to your Australian bank account, to your New Zealand bank account or paid by AUD cheque to your postal address. For distributions paid to a New Zealand bank account, we will arrange conversion of the AUD amount to NZD using a conversion rate, usually within 10 business days of the distribution being paid. AUD cheques are subject to various bank clearance times. You can change your distribution payment options by calling 0800 800 661.

Reinvestment of distributions

Reinvestment of distributions will normally be effective the first day following the end of the distribution period.

Reinvesting distributions compounds your returns. No withdrawal fees apply to reinvested distributions.

Distributions are automatically reinvested unless you instruct us otherwise in the Application Form or when you switch into a new investment option, provided you are an existing investor in the investment option you are switching to. If you do not nominate a bank account for payment of distributions, we will treat this as a request to reinvest your distributions. You can change your distribution payment options by contacting us on 132 135 – 8.00am to 6.30pm (Sydney time) Monday to Friday or using BT Online by logging into bt.com.au.





If we attempt to pay a distribution by your nominated method and the payment fails (e.g. we are unable to credit your nominated bank account), we will attempt to contact you to arrange payment. When you invest, you agree that if this happens and we have been unable to contact you after reasonable attempts have been made, we will take it that you have requested that we reinvest the distribution and all future distributions to which you are entitled (until we receive alternative instructions from you). Where we make this change, any amounts we have been holding will be reinvested at the price that applies on the day we reinvest them.

Reinvestment of distributions will normally be effective the first day following the end of the distribution period. For details of the unit price used for reinvestments, please refer to 'How we calculate unit prices' in this section of the PDS.

Income distributions for the BT Monthly Income Fund

At the beginning of each financial year, we estimate the income this investment option may earn for the next year. The rate for the 2013/14 financial year was 2.6% p.a. or 0.21 cents per unit (cpu). Monthly payments from the investment option are calculated by multiplying the monthly payment rate by the monthly payment benchmark price (the exit price on 1 July each year). For the 2013/2014 financial year, the monthly payment was:

$$(2.6\% \div 12) \times \$0.9449 = 0.21\text{cpu.}$$

Flexi Payment Plan

If you prefer the certainty of regular income, the Flexi Payment Plan allows you to nominate a fixed amount to be paid from your investment directly into your nominated bank account at the end of the investment option's distribution period. To join the Flexi Payment Plan, simply nominate an amount and include your bank account details in the relevant sections of the Application Form.

If for any distribution period:

- ▶ your distribution exceeds your nominated payment, then the surplus is reinvested
- ▶ your nominated payment exceeds your distribution, then the shortfall is withdrawn from your investment and if a withdrawal fee is payable, we will also withdraw sufficient funds to cover this fee
- ▶ no distribution is made, your nominated payment will still be made by withdrawing the relevant amount from your investment and if a withdrawal fee is payable, we will withdraw sufficient funds to cover this fee.

Payments are generally made within 10 business days of the end of the distribution period.

Transactions to reinvest any surplus or withdraw any shortfall are effective the first day after each distribution period, using prices for the last business day of the relevant distribution period, adjusted to exclude the income to be distributed for the period.

Any withdrawals made under the Flexi Payment Plan will decrease your capital and may have capital gains tax implications.

You can change or cancel this facility by contacting us at least seven business days before the end of the investment option's distribution period in which you wish to make the change, otherwise the change may not be effective until the following distribution.

Payments under the Flexi Payment Plan are currently available only to an Australian bank account.

Processing

Processing applications

Application money is paid into an interest bearing account upon receipt. Any interest earned on this account will be retained by us and may be paid into the relevant investment option.

If we are unable to process an application because it is invalid (e.g. the Application Form is not signed), the transaction will not be processed and the application money will remain in the account until the correct documentation is received. We will aim to contact you within seven business days of receiving an invalid request (for information on how we process invalid requests, refer to 'Invalid transaction requests' in this section of the PDS). If correct documentation is not received within one month, the application money will be returned to you by cheque – with no interest payable.

We have the right to reject any application or to accept only part of an application.

For applications made by direct debit and BPAY®, we will not issue units until we receive the money from your nominated financial institution. This generally means there will be a delay between the day we receive your Application Form or you initiate a BPAY® transaction and the day on which units are issued.

Transacting in New Zealand or Australian dollars

Applications, additional and regular investments can be made in New Zealand dollars (subject to meeting Australian dollar minimum investment equivalents). We will arrange conversion of New Zealand dollars (NZD) to Australian dollars (AUD) for any investment made in NZD.

You should be aware that gains and losses could potentially arise on currency conversions.

Processing withdrawals

Withdrawals will generally be credited to your bank account within 10 business days. If you choose to receive a cheque, it will usually be sent within 14 business days. In certain circumstances, such as a freeze on withdrawals or where the investment option is illiquid (as defined in the *Corporations Act 2001*), you may have to wait a longer period of time before you can redeem your investment.

Please note these times are a guide only and as specified in the relevant investment option's constitution we may take up to:

- ▶ 10 business days for the BT Split Income Fund and BT Split Growth Fund
- ▶ 21 business days for the BT Core Australian Share Fund
- ▶ 30 business days for all other investment options.

There are certain circumstances where we can delay or restrict your withdrawal request. Please refer to 'Restrictions' in the 'Other important information' section of this PDS.

Cheques and bank accounts must be in the name(s) of the account holder(s). Withdrawals are paid in Australian dollars and are subject to clearance of invested funds. This generally takes three business days but may take significantly longer where application monies have been paid by direct debit.

Processing times for applications and withdrawals

An application or withdrawal request will usually receive an entry price or exit price (as applicable) calculated for the business day on which we receive the request. Entry and exit prices for each business day will usually be posted on bt.com.au by the end of the next business day.

Requests received on or after the cut-off time of 4.00pm (Sydney time) on a business day, or on a non-business day, will be treated as having been received before the cut-off time on the next business day. Please note, we can change the cut-off time by giving you written notice.

The processing cut-off times for New Zealand investors' applications is currently 12.00 noon New Zealand time for NZD investments and 4.00pm New Zealand time for AUD investments. The processing cut-off time for New Zealand investors' withdrawals is currently 4.00pm New Zealand time. If we receive a valid request in writing at a BT Office in Australia, we will process in accordance with Australian cut-off times.

Invalid transaction requests

Application, withdrawal and other transaction requests may be invalid for various reasons (e.g. not signing the appropriate form or not including all required information on the form). In such cases the transaction will not be processed until valid documentation is received and will be processed using the unit price applying on the day we receive the correct documentation. The usual rules about cut-off times apply. In cases where documentation is invalid, we will aim to contact you, generally within seven business days.

Unit prices

How we calculate unit prices

Generally unit prices are calculated on each business day for the preceding business day in accordance with the relevant constitution, by dividing the net asset value of an investment option by the total number of units on issue in the investment option.

The overall effect for all investment options is that:

- ▶ prices are based on the net value of the investment option's assets, generally as next calculated by us after each cut-off time
- ▶ asset values will usually be based on closing prices or, where appropriate, other price quotes, most recently available to us at the time we make the calculation
- ▶ entry prices are usually higher than exit prices. The difference is called a buy-sell spread. Please refer to the 'Fees and other costs' section of this PDS for further information.





When you make an investment in an investment option, we will allocate units to you based on the entry price for the business day on which we receive your Application and we will keep a record of the number of units you have bought. When you withdraw from the investment option, we will redeem your units based on the exit price for the business day on which we receive your withdrawal request.

Entry and exit prices for each business day will usually be posted on bt.com.au by the end of the next business day. In New Zealand, entry and exit prices for each business day will usually be posted on BT Online (NZ) by the morning after the next business day.

Distributions will be reinvested using the entry price for the last business day of the relevant distribution period, adjusted to exclude the income to be distributed for the period and any buy-sell spread that would otherwise be included in the entry price.

Details of the timing of market price information that we use to determine the entry and exit prices for the investment options are available on BT Online or by calling BT Customer Relations.

Changes to unit pricing

We can change the way in which we calculate unit prices. Information regarding any such change will be available on our website at bt.com.au or by calling BT Customer Relations. Notice will not ordinarily be provided.

Keeping you informed

Reporting

To keep you up to date about your investment, we will provide you with:

- ▶ confirmation of all applications, withdrawals and switches (excluding Regular Investment Plan contributions or Flexi Payment Plan payments)
- ▶ a quarterly investment statement providing your account balance, transaction summary and distribution details
- ▶ an annual investment statement providing your account balance, transaction summary and net earnings (generally sent by the end of September)

- ▶ an annual Australian tax statement if any of your investment options have paid a distribution during the financial year. If you have withdrawn or switched units over the financial year, you may also receive a capital gains tax statement (these statements are generally sent by the end of August)
- ▶ an Annual Report for the investment options (generally available on bt.com.au by the end of September).

You can request a paper copy of any particular confirmation by contacting BT Customer Relations on 132 135.

Additional disclosure information

As they are defined as 'disclosing entities' under the *Corporations Act 2001*, the investment options are subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. You can also call us to obtain copies of the following documents, free of charge:

- ▶ an investment option's current Annual Report lodged with ASIC
- ▶ the most recent half year report lodged with ASIC
- ▶ any continuous disclosure notices given by an investment option after lodgement of the latest Annual Report.

Continuous disclosure notices in respect of the investment options will be posted online at bt.com.au

BT Link and BT Online

Staying informed is one of the most important parts of managing your investment. The best way to keep track of your investment is over the internet through BT Online or by phone using BT Link. You can find out about your account balance and your transaction history. You can also change your investment selection, all from the comfort of your home or office.

To use the BT Link (phone) facility, simply dial 132 135 and have your Investor Number and PIN ready.

To use BT Online, simply log onto bt.com.au and enter your Investor Number and your Password. You will be issued a PIN and Password when you make your initial investment.

New Zealand investors should primarily use the New Zealand website btonline.co.nz (BT Online (NZ)). Currently there are differences in the information on, functionality of, and the services available through BT Online (NZ). If the functionality or services of BT Online (NZ) change, we will advise New Zealand investors.

The online transacting facilities and the change of address facility on BT Online are not currently available for use by New Zealand investors. New Zealand investors should, however, still refer to the Australian website bt.com.au, where the PDS states that information will be provided or updated on this website (e.g. for information on the current issuer fee).

In New Zealand, BT Link is not currently an automated 24-hour phone service. BT Link (0800 800 661) connects you to New Zealand Client Services between 8.30am and 5.30pm New Zealand time, or such other times as we determine, and they can assist you by providing balances, unit prices and organising applications, switches and withdrawals.

Information that may change

Where changes to information occur that do not adversely affect you, you may be informed in the next regular communication for the investment option. Such information includes, but is not limited to, changes in:

- ▶ an investment manager
- ▶ investment options
- ▶ fees.

Where required by law, written notification will be provided giving 30 days' notice of the changes.



Taxation



The tax information provided in this PDS is intended to be a brief guide only and is based upon current Australian laws at the date of this PDS.

Returns are affected by taxation. The effects of taxation on managed funds can vary from investment option to investment option and may change over time. The following information is of a general nature and the levels and basis of taxation may change. We strongly advise that you seek independent professional tax advice on the implications of investing in the investment options given your specific circumstances.

All taxable income including net capital gains of the investment options are distributed to investors each year. This means that under existing Australian tax legislation, the investment options will not be liable for Australian income tax.

We will provide you with an annual BT tax statement to help you complete your annual income tax return.

Investors, other than New Zealand residents, will generally receive their annual BT tax statement in July or August for the income year ending 30 June. New Zealand resident investors will generally receive their annual BT tax statement in May for the income year ending 31 March.

While in the investment options

Your share of the distributions made by an investment option in relation to each income year ending 30 June becomes part of your assessable income for that income year. This is the case regardless of whether the income is paid to you or reinvested, or if the income is received by you in the next income year. Investors are assessed for tax on any income and capital gains generated by the Fund.

The tax you may pay depends on, among other things, the type of distributions made to you. Distributions can be made up of:

- ▶ assessable income (such as dividends and interest)
- ▶ net capital gains (from the sale of an investment option's investments or distributions of net capital gains from another investment option) and
- ▶ tax credits (such as franking credits attached to dividend income and credits for tax paid on foreign income).

Some distributions may not need to be included in your tax return but will generally reduce the cost base of your investments for capital gains tax purposes.

If you receive an advice fee rebate, this will not form part of the income distributed by an investment option but may be assessable income for you. The advice fee rebate may also have CGT implications for you as the rebate amount is applied to acquire additional units in an investment option on your behalf.

Borrowing to invest

If you intend to borrow in order to invest in any of the investment options, we recommend you seek independent professional tax advice regarding your ability to claim a tax deduction for interest and borrowing costs.

Payment of an advice fee

If you pay an advice fee to your adviser, we recommend you seek independent professional tax advice regarding your ability to claim a tax deduction for these expenses.

When you withdraw

The following are treated as disposal of investments for tax purposes and you may be subject to Capital Gains Tax (CGT):

- ▶ when you make a full or partial withdrawal from an investment option
- ▶ switching between investment options
- ▶ withdrawing investments to make up a Flexi Payment Plan payment
- ▶ withdrawing investments to pay for an advice fee. If you are an individual, and you hold the investments for more than 12 months, you may be entitled to a CGT concession that can reduce your CGT liability by 50%. Other taxpayers (for example, complying superannuation funds) may be entitled to a 33.33% CGT concession provided the investments are held for more than 12 months.

General information on tax

Goods and Services Tax (GST)

GST will not be imposed on the application for, or withdrawal of, units in an investment option. However, it will be charged on:

- ▶ the price of most purchases made by an investment option in carrying out its investment activities
- ▶ fees payable to us (e.g. issuer fees), and reimbursable expenses.

The investment options may be entitled to claim a refund (Reduced Input Tax Credit (RITC)) for part of the GST included in the price of certain purchases and fees charged by us.

Non-residents of Australia

If you are a non-resident wishing to invest in Australia, you are subject to the tax laws in your country of residence and we recommend that you seek independent professional tax advice before investing. Income distributed to you by an investment option may be subject to Australian withholding tax.

If you are a New Zealand investor, your investment may be subject to the New Zealand Foreign Investment Fund (FIF) regime. There are a number of investor exemptions from the FIF regime that may or may not apply to investors, so the application of the rules will depend on the underlying investor's circumstances. We recommend that you seek independent professional tax advice before investing.

When withdrawing or switching from an investment option, you have the option of either repurchase (where we buy the units from you) or redemption (where the units are redeemed directly by the investment option). Both options have different Australian and New Zealand tax consequences. If you do not specify a method, the default method will be repurchase. The repurchase method will incur New South Wales stamp duty.

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

You are not obliged to provide your TFN or ABN on your application form, but if you provide neither and don't claim an exemption, we are required to deduct tax from your distributions at the highest marginal tax rate, plus the Medicare Levy, to meet Australian Taxation Office requirements.

Australian companies and other entities (including individuals) that invest in the course or furtherance of their enterprise can supply an ABN instead of a TFN.

Social Security

An investment in the investment options may affect your entitlement to a pension or other social security benefit. We suggest you seek advice from a financial adviser or Centrelink.



Other important information



The constitutions of the investment options

What are the constitutions of the investment options?

Each investment option is a managed investment scheme established under a document called a constitution. Under each constitution, the Responsible Entity of the investment option is responsible for operating the investment option and selecting investments in accordance with the constitution. The *Corporations Act 2001*, the constitution, and the general law set out the framework under which each investment option operates.

Asset values of the investment options for the purposes described in this PDS are determined in accordance with each investment option's constitution. The constitutions (including any amendments) have been lodged with ASIC.

You can request a copy of the constitutions at no additional charge by calling 132 135 or emailing customer.relations@btfinancialgroup.com.

The main rights of investors under the constitutions

The rights and obligations of investors in each investment option are governed by the constitution for the investment option and this PDS, but are also affected by the *Corporations Act 2001*, relief and guidelines issued by ASIC, and the general law relating to trusts.

Some of the provisions of the constitutions are discussed elsewhere in this PDS. Others relating to your rights under a constitution include:

- ▶ the nature of the units and whether different classes of units are authorised. Every unit confers a beneficial interest in the investment option as a whole (but not a specific interest in any particular asset of the investment option)
- ▶ how we must calculate unit prices and the net value of each investment option
- ▶ what you are entitled to receive when you withdraw or an investment option is wound up
- ▶ your right to share in any income and how we calculate it.

Each constitution is designed to limit your liability to the value of your units, but the courts are yet to determine the effectiveness of limits of this kind.

Your rights to requisition, attend and vote at meetings of unit holders are mainly contained in the *Corporations Act 2001*.

The main duties and rights under the constitutions

As the Responsible Entity, we:

- ▶ have wide powers to invest, borrow and generally manage the investment options
- ▶ have discretion to refuse transfers and applications
- ▶ can change the constitutions, but we need approval at a meeting of unit holders if the change will adversely affect rights
- ▶ can terminate an investment option at any time and will give you notice of any intention to do so. If we terminate an investment option, you share pro-rata in the net proceeds available from the sale of investments
- ▶ can retire, in which case a new Responsible Entity will be appointed
- ▶ can charge fees and recover expenses
- ▶ can transfer property of an investment option, units in another scheme or shares to you, rather than paying a withdrawal request (the assets transferred must be of equal value to the amount payable to you, but we can deduct an amount for costs involved in the transfer).

As the Responsible Entity of each investment option we must comply with all obligations set out in each constitution. We are also subject to duties under the law including duties to act honestly, exercise care and diligence, and treat investors of the same class equally.

In addition to these provisions that apply to all investment options, the constitutions of specific investment options provide us with certain additional powers and rights. Some of these are set out in other parts of this PDS, but also include:

- ▶ for the BT Australasian Bond Fund, BT Split Growth Fund, BT Split Income Fund, BT Balanced Returns Fund, BT Monthly Income Fund, BT Asset Selection Fund, BT Select Australian Share Fund and BT International Share Fund, our ability to redeem

some or all of your units to satisfy a dishonour fee owing to us. We will provide you with written notice if we exercise this right

- ▶ for all investment options, we can transfer property of the investment option, units in another scheme or shares to you, rather than paying a distribution entitlement that is owing to you. For some investment options, we may need your consent to do this.

Liabilities and indemnities under the constitutions

The constitutions limit our liabilities in relation to each investment option. For example:

- ▶ we are not liable for acting in reliance in good faith on professional advice
- ▶ if we comply with our duties and act in accordance with the relevant laws and the constitution, we are not liable to you for any loss in connection with an investment option.

In addition, we are entitled to be indemnified out of the assets of an investment option for liabilities we incur in connection with the proper performance of our duties for an investment option.

Can the investment options borrow money?

Yes. Each constitution permits us to borrow for the relevant investment option, with or without security and subject to any restrictions in the relevant constitution. However, it is not intended that the investment options will undertake long term borrowings, although short term borrowings may occur in our day to day management of the investment options.

Appointing an authorised representative

If you wish to appoint someone else to instruct on your investment on your behalf, the following conditions apply:

- ▶ generally, your authorised representative can do everything you can do with your investment except appoint another authorised representative. If your authorised representative is your financial adviser, their authority is limited, and they cannot change any fees or alter payment/distribution bank account details
- ▶ to cancel your authorised representative you must give us seven business days' written notice

- ▶ you release and indemnify us and any other member of the Westpac Group from and against all liability which may be suffered by you or by us, or brought against us or any other member of the Westpac Group in respect of any acts or omission of your authorised representative, whether authorised by you or not.

To appoint an authorised representative you must complete the relevant sections in the Application Form.



Protecting your privacy

Why we collect your personal information

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

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

How we collect your personal information

We may collect your information from many places including your Application Form, correspondence with you or your adviser, our telephone calls with you or you using our website or emailing us. We may also collect your information from other members of the Westpac Group* or from a service provider engaged to do something for us or other members of the Westpac Group. Our service providers typically include custodians, investment administrators, information technology advisers, mail-houses, auditors, legal advisers and consultants.

Disclosing your personal information

We may disclose your personal information to other members of the Westpac Group*, anyone we engage to do something on our behalf such as a service provider, other organisations that assist us with our business and any person who acts on your behalf in relation to your investment (such as your financial adviser).

*Westpac Group means Westpac Banking Corporation and its related bodies corporate.

Other important information (Continued)



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

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

Other important privacy information

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

The BT Privacy Policy is available at bt.com.au or by calling 132 135. It covers:

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

The BT Privacy Policy will be updated from time to time.

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

Our reporting obligations

We are required to identify certain US persons in order to meet account information reporting requirements under local and international laws.

If you or (where you are an entity) any office bearer* of the entity and/or any individual who holds an interest in the entity of more than 25% (a Controlling Person) are a US citizen or US tax resident, you must telephone 1300 725 863 at the time of accepting these Terms and Conditions. When you contact us you will be asked to provide additional information about your US tax status and/or the US tax status of any Controlling Person which will constitute certification of US tax status for the purposes of the application to which these Terms and Conditions relate.

*Director of a company, partner in a partnership, trustee of a trust, chairman, secretary or treasurer of an association or co-operative.

Unless you notify us that you and/or any Controlling Person are a US citizen or US tax resident as specified above, accepting these Terms and Conditions constitutes certification that you and/or any Controlling Person are not a US citizen or US tax resident.

If at any time after account opening, information in our possession suggests that you and/or any Controlling Person may be a US citizen or US tax resident, you may be contacted to provide further information on your US tax status and/or the US tax status of any Controlling Person. Failure to respond may lead to certain reporting requirements applying to the account.

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

Restrictions

Restrictions applying to all investment options – when illiquid

We can suspend the withdrawal of your money in the unusual circumstance where an investment option is illiquid (that is, when the investment option's assets cannot be sold for their market value within the time periods specified under the constitution). While an investment option is illiquid, different withdrawal procedures will apply as specified under the *Corporations Act 2001*. We are not obliged to pay for withdrawals out of our money.

Anti-Money Laundering and Counter-Terrorism Financing Act obligations

We are bound by the laws about the prevention of money laundering and the financing of terrorism, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Laws). In order to comply with our obligations under the AML/CTF Act, we may need to collect identification information and documentation from you, your estate or anyone acting on your behalf. We may also decide to delay or refuse any request or withdrawal of units if we are concerned that the request of transaction may breach any obligation of, or cause us to commit or participate in an offence under, any anti-money laundering and counter-terrorism financing law, and we will not incur any liability in doing so.

Related party transactions and conflicts of interest

The investment options may invest from time to time in other funds of which we, or a related entity, are trustee, responsible entity or manager (related funds). There is no limit on the level of investment in related funds.

Details of holdings of related funds and related party dealings in the investment options are set out in the investment option's annual report (available by calling 132 135).

Subject to the constitutions of the investment options, we may appoint any of our related bodies corporate (including Westpac Banking Corporation) to provide services (including banking services) or perform functions in relation to the investment options, including acting as our delegate. We may also enter into financial or other transactions with related bodies corporate in relation to the assets of the investment options, and may sell assets of the investment options to, or purchase for the investment options assets from, a related body corporate. A related body corporate is entitled to earn fees, profits 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.

In the course of managing the investment options, we may face conflicts in respect of our duties owed to the investment options, related funds and our own interests. We have policies and procedures in place to ensure that we manage these conflicts of interest through either controlling, avoiding or disclosing the conflict. We will resolve such conflicts of interest fairly and reasonably and in accordance with the law, ASIC and APRA policy and our own policies.

Complaints resolution

Complaints resolution is a priority for us. If you have any concerns or complaints with the financial products or services we provide, please contact us and we will do our best to resolve them quickly and fairly.

As a first step, please contact us by calling BT Customer Relations. Alternatively, you can contact us by email or in writing to the Complaints Officer at the address set out on the back cover of this PDS. We will let you know that we have received your complaint and a Complaints Officer will try to resolve your complaint within 30 days.

If you are still not satisfied you can refer the matter to the Financial Ombudsman Service (FOS) – it is independent from us. Its contact details are:

Financial Ombudsman Service
GPO Box 3
Melbourne, VIC 3001
Phone: 1300 780 808
Fax: 03 9613 6399
Internet: fos.org.au

Before you contact FOS, we recommend that you first try to resolve your concern with us.

The Australian Securities and Investments Commission (ASIC) also has a free call infoline on 1300 300 630. You can use this number to make a complaint and to obtain further information about your rights.

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

If you are a New Zealand investor, you can contact the Financial Markets Authority.

Financial Markets Authority
PO Box 1179
Wellington 6140
Phone: 0800 434 566
Fax: 04 472 8076
Internet: fma.govt.nz

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. The Australian and New Zealand regulators will work together to settle your complaint. If you are investing through a master trust or wrap account, enquiries and complaints should be directed to the operator of that service.

Consents

The following parties have consented to this PDS containing, and accept responsibility for the accuracy of, the statements under their logo, and the use of their logo, in the form and context in which they appear and have not withdrawn their consent before the date of this PDS.

BT Investment Management (Institutional) Limited

The parties above have not caused the issue of this PDS and are not responsible for any statements which are not referable to them.



Other important information (Continued)



Electronic notifications and updated information

You agree to receive all information, including without limitation any notification, disclosure documents or any other documents for underlying investment funds (Information), required or permitted to be given to you under the *Corporations Act 2001* or any other relevant law:

- ▶ where it is or may become permissible under the *Corporations Act 2001* or relevant law, via your financial adviser in writing or notice by email or other electronic communication (including online)
- ▶ directly:
 - by email (including emails containing a hypertext link), or
 - by other electronic communication (including by accessing bt.com.au).

If you're:

- ▶ a new investor, by making an application to become an investor in BT Classic Investment Funds or participating as an investor of BT Classic Investment Funds
- ▶ an existing investor, and you (or someone on your behalf) by making further investments, by giving an investment direction or switch request or using the Regular Investment Plan feature, on or after the date of this PDS,

you agree that Information can be provided to you in any of these ways.

Important information about your investment in BT Classic Investment Funds may be sent to the email address you nominate in your Application. It's important that you nominate a current and active email address and notify us immediately if the email address provided changes.

Terms and conditions

All investors

By completing the Application Form you agree to be bound by all the provisions in this PDS and the applicable constitutions (as amended from time to time) including the following:

- ▶ confirm that you are 18 or over
- ▶ acknowledge that if a transaction request is invalid, it will not be processed until valid documentation is received
- ▶ acknowledge that you have read 'Protecting your privacy' in this section of the PDS and that we, our agents and related companies may exchange with each other information about you, and use

that information for the purposes described in that section. If you only hold BT products through a financial adviser who is not part of the BT Financial Group, no information will be used by other Westpac Group companies for marketing purposes

- ▶ acknowledge and agree that you must not initiate, engage in or effect a transaction that may be in breach of Australian law, or the law of any other country – please refer to 'Anti-Money Laundering and Counter-Terrorism Financing Act obligations' in this section of this PDS
- ▶ acknowledge that you have the legal power to enter into the investment
- ▶ agree that future transactions will be made on the terms of the then current PDS and the relevant constitution (each as amended from time to time)
- ▶ direct us to deduct any government fee, duty, bank charge, dishonour fee or any other fees payable from time to time, from your withdrawal proceeds or any other amounts payable by us to you
- ▶ direct us to deduct from your investment any amount owed by you to us
- ▶ confirm that you have received and accepted this offer in Australia or New Zealand
- ▶ consent to telephone conversations being recorded and listened to for training purposes or to provide security for transactions
- ▶ agree that if we make an incorrect payment to you, we are entitled to deduct the amount incorrectly paid from any holding you may have with us or a related body corporate
- ▶ agree to be bound by the provisions of this PDS and any superseding supplementary or replacement PDS and the provisions of the relevant constitution (as amended from time to time)
- ▶ consent to us passing information in relation to your investment to your financial adviser
- ▶ acknowledge that if we reasonably believe a signature on a document, such as a withdrawal request, to be genuine we are entitled to rely on that signature and will not be liable for any loss you may suffer if it is later found that the signature was fraudulent
- ▶ acknowledge that if we reasonably believe an email or facsimile communication we receive from you, your financial adviser or representative is genuine, we are entitled to rely on that email or facsimile communication and will not be liable for any loss you may suffer if it is later found the email or facsimile communication was fraudulent

- ▶ consent to us continuing to act as Responsible Entity notwithstanding a conflict of interest arising from circumstances referred to in 'Related party transactions and conflicts of interest' in this section of this PDS or any other circumstances
- ▶ acknowledge that information, reports and other communication to you may be delivered electronically by email or other electronic means
- ▶ agree that any email sent to coolingoff@btfinancialgroup.com (nzclientservices@btnz.co.nz for NZ investors) including the details required to withdraw your investment will be taken to be by you and, further, acknowledge that we may act on those instructions and will not be liable for any loss you may suffer if it is later found that the email was fraudulent.

Joint investors

In addition you:

- ▶ agree to hold the units as joint tenants
- ▶ acknowledge that, unless otherwise stated, all signatures are required on all transactions.

Operators and custodians of master trusts or wrap accounts

- ▶ undertake to us that you and each other operator or custodian of the master trust or wrap account will comply with any requirements of law or applicable ASIC policy in relation to the master trust or wrap account
- ▶ confirm that you are authorised by each operator or custodian of the master trust or wrap account to give this undertaking on their behalf.

Our electronic facilities

BT Link and BT Online

By completing the Application Form you may use BT's electronic transaction facilities, BT Link and BT Online.

The following conditions apply in relation to these facilities:

- ▶ a confidential personal identification number (PIN) and/or password will allow you to transact and you remain responsible for their confidentiality
- ▶ your PIN and/or password may be issued to you electronically

- ▶ access will be given to any person who uses your PIN or password or complies with any other of our security procedures, which we may put in place from time to time. Any action by that person will be taken to be by you
- ▶ any action or request taken or given to the Responsible Entity cannot be countermanded
- ▶ we may vary these conditions at any time after giving you notice in writing (or by email or other electronic communication for BT Online users)
- ▶ we may suspend or cancel your ability to transact electronically at any time without notice
- ▶ you must tell us immediately if you lose your PIN or password or think an unauthorised person has knowledge of it.

Facsimile facility

By crossing the appropriate box in the Application Form, you agree to the following conditions when using a facsimile to respond to us:

- ▶ any instructions sent by facsimile must be signed by all signatories to the investments, as previously notified to us via your Application Form
- ▶ you agree that instructions provided by authorised signatories are provided, or are authorised, by you
- ▶ we may, in our absolute discretion, refuse to carry out any instruction.

Indemnity

You release and indemnify us and any other member of the Westpac Group from and against all liability which may be suffered by you or brought against us or any other member of the Westpac Group in respect of:

- ▶ any act or omission of your authorised representative, whether authorised by you or not
- ▶ your use, or purported use, of BT Link or BT Online
- ▶ your use, or purported use, of a facsimile.





Direct Debit Request Service Agreement

By completing the Direct Debit Request that forms part of the Application Form, you will be providing us with the ability to debit your nominated account and transfer the amount you request to your investment. This agreement sets out the terms on which you authorise us to deduct from your account with your financial institution any amounts that become payable to an investment with us.

Direct Debit arrangements

- ▶ for initial applications made by completing a Direct Debit Request, we will debit the amount(s) nominated from your account generally within two business days of receiving a valid application
- ▶ for subsequent investments, when we receive a valid instruction either by phone, letter or over the internet, we will debit your account generally within two business days of receiving the instructions (provided we have previously received a valid Direct Debit Request)
- ▶ a valid instruction will be an instruction given by you or from a person nominated by you to provide such instructions.

Regular Investment Plan arrangements

- ▶ for investments made under a Regular Investment Plan, we will debit your account on or around the 19th of each month
- ▶ where the due date falls on a non-business day, we will draw the amount on the next business day. If you are uncertain as to when the debit will be processed to your nominated account, you should enquire directly with your financial institution where the account is based.

Your responsibilities

It is your responsibility to:

- ▶ ensure that your financial institution allows direct debits on your nominated account
- ▶ ensure that your nominated account details are correct, and if uncertain, to check with your financial institution before completing the Direct Debit Request
- ▶ ensure that sufficient cleared funds are available in your nominated account by the due date to permit payments under the Direct Debit Request
- ▶ ensure that the authorisation given to draw on your nominated account is identical to the account signing instruction held by your financial institution where the nominated account is based
- ▶ advise us if your nominated account is transferred or closed or your nominated account details change
- ▶ arrange with us a suitable alternate payment method if the drawing arrangements are cancelled either by you or your financial institution.

Your rights

- ▶ you may cancel, alter, defer or suspend your Direct Debit Request, or stop or suspend an individual debit from taking place, by calling BT Customer Relations. In some cases we will require your written confirmation
- ▶ you must notify us at least seven business days before the next scheduled debit to ensure changes are effective that month. Notification received after that time may result in your changes taking effect in the following month. You may also be able to stop an individual debit by contacting your own financial institution. You may be liable for financial institution charges if you do this; the financial institution should have information on these
- ▶ if you have any questions or concerns about your Direct Debit Request, such as where you consider that a drawing has been initiated incorrectly, you should take the matter up directly with us by calling BT Customer Relations. Alternatively, you can contact us by email or in writing to the Complaints Officer at the address set out on the back cover of this PDS. We will let you know that we have received your complaint and a Complaints Officer will try to resolve your complaint within 30 days. If you are still not satisfied you can refer the matter to the Financial Ombudsman Service (FOS) by calling 1300 78 08 08 or the Financial Markets Authority on 0800 434 566 (New Zealand investors only).

Our commitment to you

- ▶ we will only change the amount of the payment under the Direct Debit Request on receipt of a valid instruction
- ▶ we will only vary the terms of this agreement after giving you 30 days' notice in writing
- ▶ we reserve the right to cancel your drawing arrangements if two or more consecutive drawings are returned unpaid by your nominated financial institution. Standard government fees, duties and bank charges (including dishonour fees and conversion costs) may apply to investments. These are paid by the investor.
- ▶ we will keep all your records and information pertaining to your nominated account at the financial institution private and confidential, except where you have made a claim relating to a debit you believe has been made incorrectly, or wrongfully, in which case Westpac Banking Corporation ABN 33 007 457 141 (as our sponsor in the Bulk Electronic Clearing System) may require us to provide this information to them in connection with your claim to the extent necessary to resolve your claim.

The investment options included in this PDS

Responsible Entity	Registered investment option name	ARSN	APIR code
BT Funds Management Limited is the Responsible Entity for the following investment options:	BT Asset Selection Fund	089 300 283	BTA0169AU
	BT Balanced Returns Fund	087 593 057	BTA0043AU
	BT Monthly Income Fund	087 591 884	BTA0041AU
	BT Split Income Fund	087 531 566	BTA0011AU
	BT Split Growth Fund	087 531 575	BTA0012AU
	BT International Share Fund	089 299 356	BTA0170AU
	BT Select Australian Share Fund	089 299 838	BTA0171AU
	BT Australasian Bond Fund	087 589 222	BTA0003AU
	BT Global Bond Fund	087 593 002	BTA0001AU
BT Funds Management No. 2 Limited is the Responsible Entity for the following investment options:	BT Active Balanced Fund – NEF	089 133 746	RFA0021AU
	BT Tax Effective Income Fund – NEF	089 134 136	RFA0023AU
	BT Diversified Share Fund – NEF	089 133 853	RFA0024AU
	BT Core Australian Share Fund	089 134 001	RFA0011AU
	BT Ethical Share Fund	097 575 703	RFA0027AU
	BT Natural Resources Fund	089 134 341	RFA0013AU



Terms used in this PDS

- ▶ **‘bank account’** means an account with an Australian Authorised Approved Deposit Taking Institution (which includes a building society and credit union)
- ▶ **‘BT Investment Funds’** means the funds offered in the BT Investment Funds product disclosure statement, issued by BT Funds Management Limited, BT Funds Management No. 2 Limited and Westpac Financial Services Limited ABN 20 000 241 127 AFSL 233716. To invest you must complete the Application Form attached to or accompanying the product disclosure statement, a copy of which can be obtained from BT Online or by calling BT Customer Relations. You should consider the BT Investment Funds product disclosure statement in deciding whether to acquire or continue to hold the product
- ▶ **‘business day’** means a day other than a Saturday or Sunday on which banks are open for general banking business in Sydney
- ▶ **‘financial adviser’** means a licensed financial adviser or other persons approved by us (e.g. dealer groups and operators of master trusts or wrap accounts)
- ▶ **‘Funds’** means all of the investment options offered in this PDS

- ▶ **‘investment option’** means a fund offered in this PDS. Details of each investment option are set out in the ‘Investment option profiles’ section of this PDS
- ▶ **‘Responsible Entities’** means BT Funds Management Limited ABN 63 002 916 458 AFSL 233724 and BT Funds Management No. 2 Limited ABN 22 000 727 659 AFSL 233720
- ▶ **‘we’, ‘our’, or ‘us’**, means the Responsible Entities of the Funds.

Asset values of the investment options for the purposes described in this PDS are determined in accordance with each investment option’s constitution.

Directory




Our registered address is:
Level 20, Westpac Place
275 Kent Street
Sydney NSW 2000.

More information?






Go to bt.com.au.
Contact BT Customer Relations on 132 135
8.00am to 6.30pm (Sydney time) Monday to Friday.



For more information – Australia

-  **Call** ▶ 132 135
-  **Mail** ▶ BT Funds Management Limited
GPO Box 2675
Sydney NSW 2001
-  **Fax** ▶ (02) 9274 5780
-  **Visit** ▶ bt.com.au
-  **Email** ▶ customer.relations@btfinancialgroup.com

For more information – New Zealand

-  **Call** ▶ 0800 800 661
-  **Mail** ▶ BT New Zealand Client Services
PO Box 6088, Wellesley Street
Auckland 1141
-  **Fax** ▶ (09) 367 3301
-  **Visit** ▶ btonline.co.nz
-  **Email** ▶ nzclientservices@btnz.co.nz

Please note – this information does not form part of the Product Disclosure Statement. A copy of the Product Disclosure Statement is available from the responsible entity online or upon request, free of charge and should be read before making any decision to invest by completion of the application form.

Warning Statement

- (a) This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is Subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- (b) This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.
- (c) There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
- (d) The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.
- (e) Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
- (f) The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- (g) If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.
- (h) The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up and down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
- (i) If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.
- (j) The dispute resolution process described in this offer document is available only in Australia and not available in New Zealand.

GUIDE TO COMPLETING THIS FORM

- o Complete one form for each individual. Complete all applicable sections of this form in **BLOCK LETTERS**.
- o Contact your licensee if you have any queries.

SECTION 1: PERSONAL DETAILS

Surname

Date of Birth dd/mm/yyyy

Full Given Name(s)

Residential Address (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

COMPLETE THIS PART IF INDIVIDUAL IS A SOLE TRADER

Full Business Name (if any)

ABN (if any)

Principal Place of Business (if any) (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

SECTION 2: FATCA INFORMATION (US FOREIGN ACCOUNT TAX COMPLIANCE ACT)

Is the individual a US citizen or resident of the US for tax purposes?

Yes ☐ If yes, provide the individual's US Taxpayer Identification Number (TIN):

No ☐

SECTION 3: VERIFICATION PROCEDURE

Verify the individual's full name; and EITHER their date of birth or residential address.

- o Complete Part I (or if the individual does not own a document from Part I, then complete either Part II or III.)
- o Contact your licensee if the individual is unable to provide the required documents.

PART I – ACCEPTABLE PRIMARY PHOTOGRAPHIC ID DOCUMENTS

Tick ✓	Select ONE valid option from this section only
<input type="checkbox"/>	Australian State / Territory driver's licence containing a photograph of the person
<input type="checkbox"/>	Australian passport (a passport that has expired within the preceding 2 years is acceptable)
<input type="checkbox"/>	Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person
<input type="checkbox"/>	Foreign passport or similar travel document containing a photograph and the signature of the person*

Tick✓	Select ONE valid option from this section
<input type="checkbox"/>	Australian birth certificate
<input type="checkbox"/>	Australian citizenship certificate
<input type="checkbox"/>	Pension card issued by Department of Human Services (previously known as Centrelink)
Tick✓	AND ONE valid option from this section
<input type="checkbox"/>	A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address
<input type="checkbox"/>	A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. <i>Block out the TFN before scanning, copying or storing this document.</i>
<input type="checkbox"/>	A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address)
<input type="checkbox"/>	If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school

PART III – ACCEPTABLE FOREIGN PHOTOGRAPHIC ID DOCUMENTS – *should only be completed if the individual does not own a document from Part I*

Tick✓	Select ONE valid option from this section only
<input type="checkbox"/>	Foreign driver's licence that contains a photograph of the person in whose name it issued and the individual's date of birth*
<input type="checkbox"/>	National ID card issued by a foreign government containing a photograph and a signature of the person in whose name the card was issued*

*Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

IMPORTANT NOTE:

- **Either attach a legible certified copy of the ID documentation used to verify the individual (and any required translation) OR**
 → **Alternatively, if agreed between your licensee and the product issuer, complete the Record of Verification Procedure section below and DO NOT attach copies of the ID Documents**

SECTION 4: RECORD OF VERIFICATION PROCEDURE

ID DOCUMENT DETAILS	Document 1	Document 2 (if required)
Verified From	<input type="checkbox"/> Original <input type="checkbox"/> Certified Copy	<input type="checkbox"/> Original <input type="checkbox"/> Certified Copy
Document Issuer		
Issue Date		
Expiry Date		
Document Number		
Accredited English Translation	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted

By completing and signing this Record of Verification Procedure I declare that:

- ☐ an identity verification procedure has been completed in accordance with the AML/CTF Rules, in the capacity of an AFSL holder or their authorised representative and
☐ the FATCA information provided is reasonable considering the documentation provided.

AFS Licensee Name	<input type="text"/>	AFSL No.	<input type="text"/>
Representative/ Employee Name	<input type="text"/>	Phone No.	<input type="text"/>
Signature	<input type="text"/>	Date Verification Completed	<input type="text"/>



BT Classic Investment Funds

Application form for transferees into existing funds only

New Zealand Client Services ☎ 0800 800 661 (8.30am – 5.30pm Mon – Fri New Zealand time)

Units in the BT Classic Investment Funds product will only be issued on receipt of this application form, issued together with the BT Classic Investment Funds Product Disclosure Statement (PDS) dated 1 July 2014, along with the Supplementary Product Disclosure Statement (SPDS) dated 30 September 2017.

You must have read the PDS before completing this application form.

- All words and phrases used in this application form have the same meaning, if any, given to them in the PDS.
- Please complete the form using a **black pen** and mark answer boxes with a cross [X].
- If you have more than two joint investors or trustees, please photocopy this form, and use it to supply additional Investor details (Section 3) and signatures (Section 11).
- Australian Investors cannot use this form and should instead, complete the Application Form attached to the current Australian Product Disclosure Statement.

BT Funds Management Limited ABN 63 002 916 458, AFSL 233724 and BT Funds Management No. 2 Limited ABN 22 000 727 659, AFSL 233720 are the Responsible Entities (RE) of BT Classic Investment Funds.

1. BT INVESTOR DETAILS

Existing BT Investors – is this investment to be in the same name?

☐ **Yes** – Provide your BT investor number

<

➤ Now go to Section 4

☐ **No** – Go to Section 2

2. TYPE OF INVESTOR – CROSS [X] THE RELEVANT BOX

<input type="checkbox"/> Individual/Joint	Go to Section 3A
<input type="checkbox"/> Partnership	Go to Section 3A (partners' details) and 3C (partnership name)
<input type="checkbox"/> Trust/Superannuation Fund	Individual Trustee(s) ➤ Go to Section 3A (trustee(s) details) and Section 3C (trust/superannuation fund name) Corporate Trustee ➤ Go to Section 3B (corporate trustee name) and 3C (trust/superannuation fund name)
<input type="checkbox"/> Company	Go to Section 3B
<input type="checkbox"/> Adult(s) investing for a child under 18	Go to Section 3A (adult(s) details) and 3C (child's name)
<input type="checkbox"/> Deceased Estate	Go to Section 3A (executor(s) details) and 3C (estate's name)
<input type="checkbox"/> Club/Associations and unincorporated bodies	Go to Section 3A (office bearer(s) details) and 3C (club/association's name)

3A. INVESTOR DETAILS

INVESTOR A – INDIVIDUALS, JOINT INVESTORS OR TRUSTEES

Title

Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other

Given name(s)

Surname

Alternate Name(s) (if any)

Date of birth (dd/mm/yyyy)

/ /

INVESTOR B – JOINT INVESTORS OR TRUSTEES

Title

Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other

Given name(s)

Surname

Alternate Name(s) (if any)

Date of birth (dd/mm/yyyy)

/ /

Joint (non corporate) investors only – Indicate account-signing authority for future transactions and cheques (cheques apply to BT Cash Management Trust only). If no option is nominated, future transactions will require both investors to sign.

Either Investor A or B ☐ A only ☐ B only ☐

3B. COMPANY, ASSOCIATIONS OR OTHER INVESTORS

Full name of company, association or other investor

Business/Trading As name(s) (if any)



3C. ACCOUNT REFERENCE

Provide an account reference where opening an account on behalf of others – name of partnership, trust or superannuation fund, child, estate, club/association

4. CONTACT DETAILS

☐ I am an existing BT Investor; these are changes to my existing contact details.

Investor A

Residential address/Principal place of business

P0 Box is not acceptable

<i>Postcode</i>	
Country	

Investor B

Residential address/Principal place of business

P0 Box is not acceptable

<i>Postcode</i>	
Country	

Mailing address (if different from above)

<i>Postcode</i>	
Country	

Home phone number

()

Mobile phone number

Fax number

()

Work phone number

()

Email address*

[illegible]

** In the future, BT may elect to email correspondence to you.*

5. ADDITIONAL INVESTMENT DETAILS

A HOW WILL YOUR INVESTMENT BE MADE?

Note: cash is not accepted.

Cross [X] the relevant box.

[illegible]

What are your main sources of funds to be used to invest in this product?

(Please only provide values from list on next page)

What is the main source of your wealth?
(e.g. your accumulated net worth)

(Please only provide values from list on next page)

If investor type is Joint, then complete section below for second investor.

What are your main sources of funds to be used to invest in this product?

(Please only provide values from list on next page)

	97	737

What is the main source of your wealth?
(e.g. your accumulated net worth)

(Please only provide values from list on next page)



Please enter applicable values from list below for Source of Funds if you are an Individual, Joint or Adult investing for a child under 18:

- Salary/Wages
- Commission
- Bonus
- Business income/earnings
- Business profits
- Investment Income/Earnings
- Rental income
- Superannuation/pension
- Loan
- Insurance payment
- Compensation payment
- Government benefits
- Sale of assets
- Liquidation of assets
- Redundancy
- Inheritance
- Gift/Donation
- Windfall
- Tax refund
- Additional Sources **(Provide sources)**

Please enter applicable values from list below for Source of Funds if you are a Partnership, Trust/Superannuation Fund, Company, Deceased estate, Club/Association or Unincorporated Body:

- Commission
- Bonus
- Business income/earnings
- Business profits
- Investment income/earnings
- Corporate investments earnings
- Rental income
- Loan
- External investment/Capital Injection
- Insurance payment
- Compensation payment
- Government grant
- Sale of assets
- Liquidation of assets
- Mergers & Acquisitions
- Controlled money account
- Gift/Donation
- Tax refund
- Additional Sources **(Provide sources)**

Please enter applicable values from list below for Source of Wealth if you are an Individual, Joint or Adult investing for a child under 18:

- Employment income/earnings
- Redundancy
- Business income/earnings
- Business profits
- Investment income/earnings
- Rental income
- Superannuation/pension
- Insurance payment
- Compensation payment
- Government benefits
- Owns real estate/property
- Sale of assets
- Liquidation of assets
- Inheritance
- Gift/Donation
- Windfall
- Additional Sources **(Provide sources)**

Please enter applicable values from list below for Source of Wealth if you are a Partnership, Trust/Superannuation Fund, Company, Deceased estate, Club/Association or Unincorporated Body:

- Business income/earnings
- Business profits
- Investment income/earnings
- Corporate investments earnings
- Rental income
- Insurance payment
- Compensation payment
- Owns real estate/property
- Sale of assets
- Liquidation of assets
- Mergers & Acquisitions
- Controlled money account
- Gift/Donation
- Additional Sources **(Provide sources)**



5. ADDITIONAL INVESTMENT DETAILS (CONTINUED)

B INVESTMENT AMOUNT					C REGULAR DEPOSIT PLAN	D FLEXI PAYMENT PLAN ¹	E DISTRIBUTION OPTIONS		
Enter the amount to be invested in each Investment Option. Please note you can only invest in the Investment Option(s) which form part of the existing investment being transferred to you.					Complete if you wish to set up a Regular Investment Plan via Direct Debit.	Complete if you wish to receive a fixed payment from your investment at the end of each distribution period.	Select a distribution option – cross [X] ² . If you do not select a distribution option and have not set up a Flexi Payment Plan, your distributions will be reinvested.		
Investment Options		For adviser use only	(NZ\$ or A\$ please specify below)	Specify amount below for the initial investment	Specify amount for your Regular Investment Plan and also complete the Direct Debit Request form	Specify amount for your Flexi Payment Plan and also complete Section 6	Reinvest	Pay to Bank an also complete Section 6	Pay to BT Cash Management Trust ³
Diversified	BT Active Balanced Fund – NEF	RFA0021AU		\$	A\$	A\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BT Asset Selection Fund	BTA0060AU		\$	A\$	A\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BT Balanced Returns Fund	BTA0043AU		\$	A\$	A\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BT Split Income Fund	BTA0011AU		\$	A\$	A\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Diversified shares	BT Diversified Share Fund – NEF	RFA0024AU		\$	A\$	A\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BT Split Growth Fund	BTA0012AU		\$	A\$	A\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International shares	BT International Share Fund	BTA0058AU		\$	A\$	A\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Australian shares	BT Core Australian Share Fund	RFA0011AU		\$	A\$	A\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BT Select Australian Share Fund	BTA0064AU		\$	A\$	A\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BT Natural Resources Fund	RFA0013AU		\$	A\$	A\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fixed interest	BT Australasian Bond Fund	BTA0003AU		\$	A\$	A\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TOTAL				\$	A\$	A\$			

¹ Flexi Payment Plan payments can only be made to an Australian bank account in the name of the BT Investment.

² BT must be notified of a change in distribution option at least seven days before the next scheduled distribution for it to be effective that period.

³ You must be a BT Cash Management Trust Investor to have your distributions from other investment options paid into the BT Cash Management Trust. The BT Cash Management Trust is offered in the BT Investment Funds PDS.



6. PAYMENT/DISTRIBUTION ACCOUNT DETAILS

A AUSTRALIAN BANK ACCOUNT

Complete this section if you selected the Pay to Bank distribution option, the Flexi Payment Plan or if you wish any future withdrawals to be made to an Australian Bank Account. **The bank account must be in the name of the BT investment unit holder.**

Name of financial institution

Branch name

BSB number

Account number

Account Holder Name

OR

B NEW ZEALAND BANK ACCOUNT

Complete this section if you selected the Pay to Bank distribution option or if you wish any future withdrawals to be made to a New Zealand bank account. **The bank account must be in the name of the BT investment unit holder.**

Name of financial institution

Branch name

Bank

Branch

Account number

Suffix

Account Holder Name

SOURCE OF FUNDS/SOURCE OF WEALTH

A HOW WILL YOUR INVESTMENT BE MADE?

Note: cash is not accepted.

Cross [X] the relevant box.

Direct debit by BT	<input type="checkbox"/> Make sure you complete the Direct Debit Request form following this Application Form.
Cheque sent to BT	<input type="checkbox"/> Make cheques payable to: BT Funds Management Limited – <investor name> (endorsed cheques not accepted).
Switching from another fund held with BT that is not part of the BT Classic Investment Funds	<input type="checkbox"/>
Transferring ownership of units from another BT investment to this investment	<input type="checkbox"/> Provide investor number for the investment that the units are being transferred out of (if known) Investor number <input type="text"/> < <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

What are your main sources of funds to be used to purchase shares or securities?

(please only provide values from list below)

What is the main source of your wealth?

(e.g. your accumulated net worth)

(Please provide only values from list below)

If investor type is Joint, then complete section below for second investor.

What are your main sources of funds to be used to purchase shares or securities?

(please only provide values from list below)

What is the main source of your wealth?

(e.g. your accumulated net worth)

(Please provide only values from list below)



9.2. ADVISER FEE DETAILS (to be completed by both investor and adviser)

This section sets out the arrangements between the Responsible Entities of your BT account (refer to Responsible Entity details at the beginning of this application form), you (being the investor named in Section 1) and your financial adviser named in Section 9.1 (financial adviser).

This advice fee arrangement request once properly completed and signed constitutes an agreement between the RE, yourself and your financial adviser. The financial adviser enters into this agreement on their own behalf and, where the financial adviser is a representative of a Qualifying Financial Entity (QFE), as an agent of the QFE.

HOW TO COMPLETE THIS SECTION

You must:

- complete one or both of Sections 9.2A and 9.2B (depending on your agreement with your financial adviser).

You and your financial adviser must:

- read the terms and conditions in Section 9.3; and
- sign and date the declaration in Sections 9.4 and 9.5 respectively.

INFORMATION ABOUT THE ADVICE FEE ARRANGEMENT

An advice fee can be deducted as:

- a one-off fee payable to your financial adviser; and/or
- an ongoing fee payable to your financial adviser each month.

By entering into an advice fee arrangement you may be entitled to a fee rebate. The rebate amount represents a refund of the ongoing commission amounts included as part of the management costs which are reflected in the daily unit prices of your investment options. The rebate amount may vary depending on the fee structure applicable to your BT account, your investment options and who your financial adviser is. Your financial adviser will provide you with details of your rebate amount. The rebate will be credited as additional units proportionally to all your investment options in your BT account at the end of each month. The advice fee rebate will not be available for any illiquid investment option. Details of any advice fees and fee rebates that have been applied to your BT account will appear on your periodic statements.

By entering into an advice fee arrangement, the contribution fees that may be applicable to your BT account will be reduced down to zero.

An advice fee may be charged by your financial adviser on a one-off and/or ongoing monthly basis (each, or together, an advice fee). The maximum total amount of advice fees that can be deducted in a 12 month period from your BT account is the lesser of AUD \$5,000 or 2.5% of your account balance.*

** The 12 month period is based on the 12 months up to and including the month for which the advice fee payment is to be deducted.*

You must complete one or both of Sections 9.2A and 9.2B (depending on your agreement with your financial adviser).

9.2A. ONE-OFF ADVICE FEE

Please pay a one-off advice fee of: (specify AUD or NZ)

AUD/NZ \$ % =

This amount is inclusive of GST and will be deducted once only from your BT account. It will be deducted proportionally across all of your investment options.

9.2B. ONGOING ADVICE FEE

Use this section to set-up a new ongoing advice fee arrangement.

By completing this section, you acknowledge that we will continue to pay the Ongoing Advice Fee until you notify us to the contrary by completing an Advice Fee Cancellation Form, providing a new Advice Fee Form or an investment option you are invested in becomes illiquid. The Ongoing Advice Fee can be deducted either as a dollar or percentage amount proportionally across all of your investment options. You cannot set up an ongoing advice fee if you are invested in an illiquid investment option. However, you can set up a one-off advice fee to be deducted across your other investment options by completing Section 9.2A.

Specify the month that you would like the Ongoing Advice Fee to commence from.

Effective Date

/ Effective Date (mm/yyyy)

Please note: The earliest available effective date will be the date this application form is received. Where no dates are supplied above, the receipt date shall apply.

Please pay a new ongoing advice fee of: (specify AUD or NZ)

AUD/NZ \$ % = per month

OR

% per year based on your account balance at the end of each month

The advice fee amount is inclusive of GST and will be deducted proportionally from all your investment option(s) at the end of each month. The ongoing advice fee will only be deducted from the investment option(s) in your BT account at the date of processing at the end of each month once your valid request has been received and processed. If you have an existing ongoing advice fee arrangement, it will be cancelled and replaced with the new ongoing advice fee amount and instructions specified in this section.

Number of ongoing monthly payments (please specify)

If the number of monthly ongoing advice fee payment is left blank, we will continue to deduct the ongoing advice fee each month until advised otherwise.

9.3. READ THESE TERMS & CONDITIONS

- The Responsible Entities (refer to Responsible Entity details at the beginning of this application form) of your BT Classic Investment Funds account and your financial adviser (named in Section 9.1) agree that if you request your financial adviser to provide you with advice for the advice fee (set out in Sections 9.1 and 9.2 (as applicable)):
 - your financial adviser will provide that advice in return for the payment by the Responsible Entities of the advice fee;
 - the Responsible Entities will pay the advice fee to your financial adviser and deduct that amount from your BT account.
- The advice and services related to the advice fee:
 - will be agreed between you and your financial adviser; and
 - must relate solely to your interest in your BT account.
- The ongoing advice fee payable (if set out in Section 9.2) will continue to be paid to your financial adviser's QFE even if your financial adviser subsequently changes, as the QFE will remain responsible for the ongoing advice until you decide to cancel this arrangement.



- d. The one-off advice fee (if set out in Section 9.2A) will be charged once only and will be deducted proportionally from all your investment option(s)* as at the date that your advice fee request is received.
- e. The ongoing advice fee (if set out in Section 9.2B) will be deducted proportionally* from all your investment option(s) at the date of processing at the end of each month.
- The earliest available effective date (as set out in section 9.2B) that the ongoing advice fee will commence from will be the date that this form is received.
- f. Your direction to the Responsible Entities can be:
- cancelled at any time by you or your financial adviser by completing an Advice Fee Cancellation form; or
 - amended at any time by completing another Advice Fee form.

The advice fee arrangement (one-off advice fee and/or ongoing advice fee) will not be considered a valid request and an advice fee payment will not be deducted from your BT account (or deemed not to have been made) if to do so: (i) results in the Advice fees for the 12 months to exceed the lesser of AUD \$5,000 or 2.5% of the account balance; or (ii) would otherwise cause the RE to breach any legal requirement.

**Subject to restrictions on withdrawals that may apply to investment options as set out in the PDS.*

9.4. INVESTOR DIRECTION AND SIGNATURE – ADVICE FEE

To: The Responsible Entities
My financial adviser

I:

- direct that the amount(s) specified in Sections 9.2A and 9.2B (as applicable) be paid by the Responsible Entities to my financial adviser and deducted from my BT account according to the Terms and Conditions set out in Section 9.3;
- acknowledge that my financial adviser has advised me of the services to be performed and the amount of the fee rebate to which I will be entitled by entering into this advice fee arrangement; and
- confirm that the amount to be deducted from my BT account and paid to my financial adviser relates solely to advice in relation to my interest in my BT account.

Signature of **Investor**

Date (dd/mm/yy)

9.5. FINANCIAL ADVISER ACKNOWLEDGEMENT AND SIGNATURE

To: The Responsible Entities
The investor (specified in Section 1)

I:

- agree to the Terms and Conditions set out in Section 9.3;
- confirm that the advice and the services that I will provide to the investor are solely in relation to the investor's BT Classic Investment Funds account;
- declare that I have advised the investor of the amount of the fee rebate to which they will be entitled by entering into this advice fee arrangement; and
- irrevocably direct the Responsible Entities to rebate to the investor's BT account the ongoing commission amounts included in the management costs which are reflected in the daily unit prices of the investor's investment options (which will be credited as additional units proportionally to all the investment options in the investor's BT account at the end of each month).

If I am **not** a Westpac Financial Adviser, I:

- declare that I am authorised to provide advice in relation to the investor's BT account and I am registered as a Financial Service Provider; and
- acknowledge that the advice fee payable in respect of the investor's BT account is subject to an existing arrangement being in place between BT and I regarding such payments.

If I am a Westpac Financial Adviser, I declare that:

- I am a representative of the Westpac NZ QFE Group; and
- I am authorised to provide Financial Advice in relation to the investor's BT account.

Signature of **Financial Adviser**

Date (dd/mm/yy)

10. INVESTOR'S DECLARATION AND SIGNATURE

Important notes: The attached PDS and the accompanying 'New Zealand investors: Warning Statement' (together referred to below as "PDS") contain important information about investing in the BT Classic Investment Funds. If you give this application form to another person you must, at the same time and by the same means, give them this PDS and any supplementary PDS. If you received this PDS from the internet or other electronic means, we will send you on request a paper copy of the PDS and any supplementary PDS, together with the application form, free of charge.

We are required to identify certain US persons in order to meet account information reporting requirements under local and international laws.

If you or (where you are applying on behalf of an entity) the entity and/or any office bearer* of the entity and/or any individual who holds an interest in the entity of more than 25% (a Controlling Person) are a US citizen or US tax resident, you must telephone 1300 725 863 at the time of completing this application. When you contact us you will be asked to provide additional information about your US tax status and/or the US tax status of the entity and/or any Controlling Person which will constitute certification of US tax status for the purposes of this application.

Unless you notify us that you or (where you are applying on behalf of an entity) the entity and/or any Controlling Person are a US citizen or US tax resident as specified above, by completing this application you certify that you or (where you are applying on behalf of an entity) the entity and/or any Controlling Person are not a US citizen or US tax resident.

If at any time after account opening, information in our possession suggests that you, the entity and/or any Controlling Person may be a US citizen or US tax resident, you may be contacted to provide further information on your US tax status and/or the US tax status of the entity and/or any Controlling Person. Failure to respond may lead to certain reporting requirements applying to the account.

**Director of a company, partner in a partnership, trustee of a trust, chairman, secretary or treasurer of an association or co-operative*

By signing this application form, I/we

- Acknowledge that I/we have read this PDS in full and agree to be bound by the terms of this PDS and the terms of the relevant constitution(s), each as amended from time to time
- Acknowledge that none of Westpac Banking Corporation or any of its related entities stands behind or otherwise guarantees the capital value or the investment performance of any fund offered in this PDS
- Acknowledge that investments in the Funds are not deposits with, or other liabilities of, Westpac Banking Corporation or any other company in the Westpac Group of companies and that investments in the funds are subject to investment risks, including possible delays in repayment and loss of income and principal invested



- Acknowledge that I/we have read and understood the Privacy Statement in the PDS and acknowledge that the full BT Privacy Policy is available at bt.com.au or by calling 0800 800 661
- Declare that all the details given on this application form are true and correct
- Acknowledge that the Corporations Act prohibits any person from passing on to another person the application form unless it is attached to or accompanied by the complete and unaltered PDS
- Acknowledge that if I/we have received this PDS from the internet or other electronic means, I/we have received it personally, or a paper print out of it, accompanied by or attached to this application form

If Section 8 (Authorised Representative) is completed, by signing below you:

- Acknowledge that the appointment of an Authorised Representative is governed by the terms set out in this PDS.

YOUR REQUEST CANNOT PROCEED IF THIS SECTION IS NOT SIGNED

Joint applicants must all sign unless we have received prior instructions from all investors that any can sign solely.

If signing under a Power of Attorney (POA), you verify that at the time of signing, you have not received notice of revocation of that power. Please provide an originally certified copy of the POA including the appointed POA's signature. If the POA's signature is not included, please attach two originally certified copies of identification. **In the case of company signatories, two directors, or if a sole director, then that director and a witness must sign.**

Signature of **Investor A** or **company officer A**

Date (dd/mm/yy)

Signatory name (please print)

Company signatories must indicate their company capacity.

Director ☐ Sole Director ☐

Clubs/Associations/Unincorporated bodies Signatories must indicate their office title.

Signature of **Investor B** or **company officer B**

Date (dd/mm/yy)

Signatory name (please print)

Company signatories must indicate their company capacity.

Director ☐ Witness of Sole Director ☐

Clubs/Associations/Unincorporated bodies Signatories must indicate their office title.

Individual or sole trader

Sign as Investor A. If a sole trader, indicate by crossing applicable box above.

Company	Two directors or a director and company secretary must sign unless the company has only a sole director and sole secretary. All signatories must state their capacity within the company by crossing the applicable box(es) above.
Superannuation fund or Trust	Individual Trustee – Sign as Investor A Joint Trustees – Sign Investors A and B Corporate Trustee – see company requirements above
Adult(s) investing on behalf of a child under 18	Adult(s) to sign in their own name
Joint Investor	All investors must sign unless previously indicated; otherwise we will be unable to accept your application. If more than two investors, please photocopy blank form.
Club, association or unincorporated body	Office bearer(s) must sign and state their appropriate office title in the fields above.
Partnership	All partners to sign. If more than two partners, please photocopy this page and attach with signatures for all partners.
Deceased estate	All executors to sign. If more than two executors, please photocopy this page and attach with signatures of all executors.

11. PRIVACY CONSENT PREFERENCE

We and members of the Westpac Group will use and disclose your personal information to contact you or send you information about other products and services offered by the Westpac Group or its preferred suppliers. If you do not wish to receive marketing communications from us please cross the box [X].

☐ No

Please mail your completed application form, together with any cheque(s) (if applicable) to:

BT New Zealand Client Services
PO Box 6088
Wellesley Street
Auckland 1141





BT Classic Investment Funds Direct Debit Request

New Zealand Client Services ☎ 0800 800 661 (8.30am–5.30pm Mon–Fri New Zealand time)

INFORMATION FOR BT

Tick one:

- ☐ New authority
☐ Change of bank account for existing Regular Investment Plan or additional investments

BT Investor number (if an existing investor)

<

BANK INSTRUCTION

Name of bank account

Authority to accept direct debits
(not to operate as an assignment or agreement)

Bank account from which payments to be made

Bank	Branch	Account number	Suffix	Authorisation code
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

(Please attach an encoded deposit slip to ensure your number is loaded correctly.)

TO: THE BANK MANAGER

Bank

Branch

Town/City

I/We authorise you until further notice, to debit my/our Bank account number with all amounts which Initiator of the above Authorisation Code, may initiate by Direct Debit.

I/We acknowledge and accept that the Bank accepts this authority only upon the conditions listed on the reverse of this form.

INFORMATION TO APPEAR ON MY/OUR BANK STATEMENT

To be completed by the Initiator

Payer particulars

Payer code

Payer reference

Your authorised signature(s)

Date (dd/mm/yy)

FOR BANK USE ONLY

Approved 1028		Original – retain at branch			Bank stamp
05	2003	Date received:	Recorded by:	Checked by:	



DECJX|BTFx1190

CONDITIONS OF THIS AUTHORITY

1. THE INITIATOR:

- (a) has agreed to give written notice of the net amount of each direct debit no later than the day the direct debit is initiated. The notice will include the following message:

"The amount of \$..... was direct debited from your Bank account on (initiating date)."

This notification is not applicable to Regular Investment Plan direct debits.

- (b) may, upon the relationship which gave rise to this authority being terminated, give notice to the Bank that no further direct debits are to be initiated under the authority. Upon receipt of such notice, the Bank may terminate this authority as to future payments by notice in writing to me/us.

2. THE CUSTOMER MAY:

- (a) at any time, terminate this authority as to future payments by giving written notice of termination to the Bank and to the Initiator.
- (b) stop payment of any direct debit to be initiated under this authority by the Initiator by giving written notice to the Bank prior to the direct debit being paid by the Bank.
- (c) where a variation to the amount agreed between the Initiator and the Customer from time to time to be direct debited has been made without notice being given in terms of clause 1(a) above, request the Bank to reverse or alter any such direct debit initiated by the Initiator by debiting the amount of the reversal or alteration of a direct debit back to the Initiator through the Initiator's Bank, provided such request is made not more than 120 days from the date when the direct debit was debited to my/our account.

3. THE CUSTOMER ACKNOWLEDGES THAT:

- (a) this authority will remain in full force and effect in respect of all direct debits made from my/our account in good faith notwithstanding my/our death, bankruptcy or other revocation of this authority until actual notice of such event is received by the Bank.
- (b) in any event this authority is subject to any arrangement now or hereafter existing between me/us and the Bank in relation to my/our account.
- (c) any dispute as to the correctness or validity of any amount debited to my/our account shall not be the concern of the Bank except in so far as the direct debit has not been paid in accordance with this authority. Any other disputes lie between me/us and the Initiator.
- (d) the Bank accepts no responsibility or liability for the accuracy of information about payments on Bank Statements.
- (e) the Bank is not responsible for, or under any liability in respect of:
- any variations between notices given by the Initiator and the amounts of payments
 - the Initiator's failure to give written advance notice correctly nor for the non-receipt or late receipt of notice by me/us for any reason whatsoever. In any such situation, the dispute lies between me/us and the Initiator.
- (f) notice given by the Initiator in terms of clause 1(a) to the debtor responsible for the payment shall be effective. Any communication necessary because the debtor responsible for payment is a person other than me/us is a matter between me/us and the debtor concerned.

4. THE BANK MAY:

- (a) in its absolute discretion, conclusively determine the order of priority of payment by it of any monies pursuant to this or any other authority, cheque or draft properly executed by me/us and given to or drawn on the Bank.
- (b) at any time terminate this authority as to the future payments by notice in writing to me/us.
- (c) charge its current fees for this service in force from time-to-time.

