

## → SuperWrap Essentials Supplementary Product Disclosure Statement

### SuperWrap Fund ABN 39 827 542 991 (RSE R1001327)

Superannuation Product Identification Numbers:

- TCS0106AU SuperWrap Fund – Personal Super Plan
- TCS0105AU SuperWrap Fund – Pension Plan
- TCS0002AU SuperWrap Fund – Term Allocated Pension Plan

This Supplementary Product Disclosure Statement (SPDS) is dated 15 November 2011 and supplements each SuperWrap Essentials Product Disclosure Statement (PDS) for the SuperWrap Essentials Personal Super Plan, SuperWrap Essentials Pension Plan and SuperWrap Essentials Term Allocated Pension Plan.

This SPDS is issued by BT Funds Management Limited ABN 63 002 916 458 AFSL No. 233724 RSE Licence Number L0001090 (BTFM or the Trustee) for the purposes of Part 7.9 of the *Corporations Act 2001* (Cth) and should be read together with the PDS.

This SPDS provides:

- changes to the 'Fees and other costs' section of the PDS;
- information about the appointment of a new Trustee; and
- other important changes relating to information contained in the PDS.

It must be read by all prospective investors. To the extent of any inconsistency, this SPDS prevails over disclosure on the same subject matter in the PDSs.

Words defined in the PDS have the same meaning in this SPDS, unless the relevant word is separately defined in this SPDS or the context requires otherwise.

### 1. Changes to 'Fees and other costs'

#### (a) Introduction of the One-off advice fee

From 15 December 2011, there will be a new fee which you may agree with your adviser for advice or other services provided to you from time to time relating to your SuperWrap Essentials account. This fee is called the **One-off advice fee**. It is specified as a fixed dollar amount. The PDS is amended by making the following change:

**Replace the paragraph and table under the heading 'Adviser fees' in the 'Additional explanation of fees and costs' section with the following:**

You may negotiate with your adviser to pay the following fees to your adviser or the Distributor. You must specify these fees on the relevant form. The amounts you specify will be taken to be GST inclusive, but will not take into account input tax credits that may be claimed. Where applicable, the actual amounts that will be deducted from your Cash Account may be adjusted for input tax credits that may be claimed in respect of these fees, and may therefore be less than the amounts you specify on the relevant form. For example, while the relevant form may indicate that you have agreed to pay a Contribution fee of 0-5% of each investment you make into your account, the actual amount deducted from your Cash Account (when adjusted for input tax credits which may be claimed in respect of the Contribution fee) will be 0-4.66% of the particular investment made into your account. Except where stated otherwise, fees in this table are inclusive of GST and net of input tax credits.

Type of fee or cost	Amount	How and when paid
<b>Contribution fee</b>	0–4.66% of each investment you make into your account.	<p>You may agree to pay a dollar or percentage Contribution fee in respect of initial investments you make into SuperWrap Essentials.</p> <p>You may also agree to pay a separate percentage Contribution fee for subsequent investments and deposits made under a Regular Contribution Plan.</p> <p>The Contribution fees must be specified on your Application Form either as a dollar or percentage amount.</p> <p>Contribution fees will be deducted from the balance in your Cash Account at the time of each investment. If a percentage Contribution fee is selected for your initial investment, this percentage will be deducted from all contributions (excluding contributions under a Regular Contribution Plan and asset transfers) received within three months of the establishment of your account, unless the Administrator is otherwise instructed.</p>
<b>Ongoing advice fee</b>	0–1.86% pa of the balance of your account.	<p>You may agree to pay a dollar or percentage Ongoing advice fee for ongoing advice and other services your adviser provides to you in relation to your SuperWrap Essentials account.</p> <p>This fee must be specified on your Application Form as either a dollar or a percentage amount. If a percentage Ongoing advice fee is specified on your Application Form, this fee will be calculated on the average of your opening and closing account balance (excluding nil balances and asset transfers) for each month.</p> <p>The fee will be deducted from your Cash Account on a monthly basis.</p>
<b>One-off advice fee</b>	Up to \$4,000 pa (GST inclusive)	<p>From 15 December 2011, you may agree to pay a fixed dollar fee to your adviser when your adviser provides you with advice or other services in relation to your SuperWrap Essentials account.</p> <p>This One-off advice fee only applies if you and your adviser have agreed to this fee being deducted from your Cash Account under the One-off advice fee form and may be charged multiple times a year up to an aggregate limit of \$4,000 pa (GST inclusive).</p> <p>The fee will be deducted from your Cash Account at the time the request is processed by the Administrator.</p>
<b>Managed fund transaction fee</b>	0–4.66% of each investment you make into selected managed funds.	<p>You may agree to pay a dollar or percentage Managed fund transaction fee for placing managed fund transactions on your behalf. This fee must be specified on your Managed Fund Transaction Form.</p> <p>The Managed fund transaction fee will be deducted from your Cash Account at the time of investment into selected managed funds.</p>

**(b) Update to change the disclosed Telstra VRS fee from \$0.50 per minute to \$0.55 per minute**

The PDS is amended by making the following change:

Delete the first sentence under the heading 'VRS fee' in the 'Additional explanation of fees and costs' section, and replace with:

You will be charged a Telstra fee (currently \$0.55 per minute – higher for mobiles and other phone carriers) for using the telephone VRS.

**(c) Update the table after the first paragraph under the heading 'Changes in fees and costs' in the 'Additional explanation of fees and costs' section by replacing the 'Ongoing advice fee' row and inserting the 'One-off advice fee' row with the following:**

Type of fee or cost	Amount
<b>Ongoing advice fee</b>	2% pa
<b>One-off advice fee</b>	\$4,000 pa



**(d) Update to clarify the description of expense recoveries in the PDS**

The PDS is amended by making the following change:

Replace the text under the heading 'Expense recoveries' in the 'Additional explanation of fees and costs' section with the following:

The Trustee is entitled to be reimbursed for expenses incurred that relate specifically to your SuperWrap Essentials account (including, for instance, any Ongoing advice fee or One-off advice fee that you may agree to pay). These expenses are deducted from your Cash Account as disclosed in this PDS.

The Trustee is also entitled to be reimbursed for expenses incurred in the administration of SuperWrap Essentials generally, including the payment of statutory charges, licensing fees, audit fees and the cost of printing and mailing reports. These expenses may be passed on to all investors in SuperWrap Essentials and deducted from your Cash Account. However, the Trustee does not currently claim these expenses.

**2. Appointment of new Trustee**

From 21 February 2011, BTFM replaced The Trust Company (Superannuation) Limited (formerly Trust Company Superannuation Services Limited) as the Trustee of SuperWrap Essentials. Accordingly, the PDS is amended by making the following changes:

**(a) Any references to the 'trustee', 'SuperWrap Essentials Trustee', 'The Trust Company (Superannuation) Limited', 'Trust Company Superannuation Services Limited' or 'TCSL' are taken to be references to BT Funds Management Limited ABN 63 002 916 458, AFSL Number 233724, RSE Licence Number L0001090.**

**(b) The paragraph under the heading 'About the Trustee' on the inside front cover is deleted and replaced with the following:**

The trustee and issuer of SuperWrap Essentials is BT Funds Management Limited ('BTFM' or 'the Trustee'), ABN 63 002 916 458, AFSL Number 233724, RSE Licence Number L0001090.

BTFM is an approved trustee under the *Superannuation Industry (Supervision) Act 1993* (Cth). BTFM has extensive experience as a trustee of superannuation funds and is a member of the Westpac Group.

**3. Updates to other information**

The PDS is amended by making the following changes:

**(a) Delete the paragraph under 'Acceptable contributions – Government' in the SuperWrap Essentials Personal Super Plan section of the PDS, and replace it with the following:**

Subject to eligibility criteria (refer to 'Government co-contributions' in this section), each year the Government will contribute up to \$1.00 for each dollar of personal after-tax contributions you make.

**(b) Delete the paragraphs commencing 'Your spouse' under 'Acceptable contributions' in the SuperWrap Essentials Personal Super Plan section of the PDS, and replace them with the following:**

Your spouse includes:

- your husband or wife via marriage; or
- your de facto partner or any other person with whom you are in a relationship (provided that this relationship is registered under a certain state or territory law); or
- another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

Your spouse may make contributions to your super, as long as the contribution is paid from an account in the name of the contributing spouse or a joint account where the contributing spouse is an account holder.



**(c) Delete the text under ‘Government co-contributions’ in the SuperWrap Essentials Personal Super Plan section of the PDS, and replace it with the following:**

To be eligible for the Government co-contribution you must earn 10% or more of your total income from carrying on a business, eligible employment, or both. In addition:

- your total income must be under the co-contributions upper threshold (\$61,920 in 2011/12),
- you must not be a temporary resident at any time during the income year in which the contribution is made, and
- you must be under 71 years of age at the end of that income year.

If you make a personal after-tax contribution and your total income is under the co-contributions lower threshold (\$31,920 in 2011/12) the Government will contribute \$1.00 for each dollar you contribute up to \$1,000 pa. The maximum co-contribution payable is phased out by 3.333 cents for every dollar you earn over \$31,920 (2011/12), until your total income reaches \$61,920 (2011/12).

Full information regarding eligibility for the Government co-contribution can be found at [www.ato.gov.au](http://www.ato.gov.au).

**(d) Delete the table after the first paragraph under ‘Contributions caps’ in the SuperWrap Essentials Personal Super Plan section of the PDS, and replace it with the following:**

Concessional contributions cap	
<ul style="list-style-type: none"> <li>→ Employer contributions (including salary sacrifice).</li> <li>→ After tax contributions for which you claim a personal tax deduction.</li> <li>→ Untaxed elements of the taxable components of directed termination payments over \$1 million contributed under the transitional rules for employment termination payments.</li> </ul>	<ul style="list-style-type: none"> <li>→ The cap is \$25,000 per member for the 2011/12 financial year, and will be indexed to Average Weekly Ordinary Time Earnings (AWOTE) in \$5,000 amounts in subsequent years.</li> <li>→ For those aged 50 or over at any time during the 2011/12 financial year, a transitional cap of \$50,000 will apply for 2011/12 only.</li> <li>→ Concessional contributions in excess of the relevant cap will be subject to additional tax (refer to ‘Understanding Taxation’ in this section).</li> </ul>
Non-concessional contributions cap	
<ul style="list-style-type: none"> <li>→ After tax contributions for which no tax deduction is claimed (including spouse contributions).</li> <li>→ Amounts transferred from overseas super funds (excluding the taxable amount of such transfers).</li> <li>→ Amounts in excess of the CGT cap (see below).</li> <li>→ Amounts of concessional contributions in excess of the concessional contributions cap.</li> </ul>	<ul style="list-style-type: none"> <li>→ The cap is \$150,000 per member for the 2011/12 financial year. This will not be separately indexed in subsequent years, but will be fixed at six times the concessional contributions cap (currently \$25,000).</li> <li>→ People under age 65 will be able to ‘bring forward’ future entitlements to two years’ worth of non-concessional contributions, allowing up to \$450,000 over a three year period to be contributed without an additional tax liability. There is no indexation during the three year period.</li> <li>→ Non-concessional contributions in excess of the relevant cap will be subject to additional tax (refer to ‘Understanding Taxation’ in this section).</li> </ul>
Capital Gains Tax (‘CGT’) cap	
<ul style="list-style-type: none"> <li>→ Contributions made from certain amounts arising from the disposal of qualifying small business assets, provided that a tax deduction is not claimed for the contribution<sup>1</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>→ A lifetime cap of \$1,205,000 (indexed) is available, provided that this is a personal contribution for which no deduction is claimed.</li> </ul>

**(e) Delete the final paragraph under ‘Contributions caps’ in the SuperWrap Essentials Personal Super Plan section of the PDS, and replace it with the following:**

In addition to the member caps described above, superannuation funds are generally unable to accept single non-concessional contributions in excess of \$450,000 (or \$150,000 if you are 65 or over on 1 July in the financial year in which you contribute) from a member in any financial year. Special rules apply to transfers from overseas super funds and you should consult a qualified professional adviser before initiating an overseas transfer.

<sup>1</sup> The rules about which amounts will qualify are complex. You should consult a qualified professional adviser to establish your eligibility.



**(f) Delete the footnote to the table under 'Understanding taxation – Tax on benefits – Taking a cash lump sum benefit' in the SuperWrap Essentials Personal Super Plan section of the PDS, and replace it with the following:**

\*\$165,000 for 2011/12. This amount will be indexed to AWOTE in \$5,000 amounts in subsequent years.

**(g) Insert the following directly below the table in each of the (i) 'Taking a cash lump sum benefit'; and (ii) 'Tax payable on death benefits' sections in the SuperWrap Essentials Personal Super Plan section of the PDS:**

For the 2011/12 financial year a Temporary Flood and Cyclone Reconstruction Levy (Flood Levy) of up to 1% may apply to taxable components above \$50,000 in addition to the above rates of tax.

**(h) Insert the following as a second paragraph under 'Understanding taxation – Tax on benefits – Taking a cash lump sum benefit –Taxable component' in the SuperWrap Essentials Personal Super Plan section of the PDS:**

Different tax rates may apply for temporary residents taking a superannuation cash lump sum. Refer to the ATO website ([www.ato.gov.au](http://www.ato.gov.au)) for further information.

**(i) Insert the following as new subsections before the heading 'Understanding taxation – Tax on benefits – Tax payable on death benefits' in the SuperWrap Essentials Personal Super Plan section of the PDS:**

**Taking a cash lump sum as a result of a terminal medical condition**

A superannuation lump sum payment will be exempt from tax where a member suffers from a terminal medical condition. A member will be taken to be suffering from a terminal medical condition if two registered medical practitioners certify that the member suffers from an illness, or has incurred an injury that is likely to result in their death within a period of 12 months (the certification period). One of these certifying practitioners must be a specialist practicing in an area related to the member's injury or illness.

If a member satisfies this condition of release, all benefits which have accrued up to this time become unrestricted non-preserved. This condition of release also covers the certification period, meaning that any further benefits accrued within the 12 month certification period will also be treated as unrestricted non-preserved benefits.

What if you received a cash lump sum under another condition of release?

If you received a superannuation lump sum payment after 1 July 2007 under another condition of release and you have a terminal medical condition, you may be entitled to a refund of the tax withheld.

You will need medical certification stating that you had a terminal medical condition (as outlined above):

- at the time the payment was made, or
- within 90 days of receiving the payment.

If you are applying for a refund after 30 June of the following financial year in which you received the payment, you will need to apply for a refund from the Australian Taxation Office (ATO). More information can be found on their website at [www.ato.gov.au](http://www.ato.gov.au).

**(j) Delete the fourth paragraph under 'Accessing your benefits' in the SuperWrap Essentials Personal Super Plan section of the PDS, and replace it with the following:**

You may also access your superannuation in various circumstances including if you become permanently incapacitated, suffer from a terminal medical condition, meet the financial hardship conditions, qualify on compassionate grounds, or your beneficiaries may access your benefits if you die.



**(k) Insert the following at the end of the SuperWrap Essentials Personal Super Plan section of the PDS:**

**Temporary Residents**

A temporary resident is a holder of a temporary visa under the *Migration Act 1958*. From 1 April 2009, if you are, or were, a temporary resident and are not an Australian citizen, New Zealand citizen or permanent resident, or a holder of a retirement visa (Subclass 405 or 410), you can generally only access your preserved superannuation benefits if you become permanently incapacitated, have a terminal medical condition, have departed Australia permanently and your visa has ceased, or your beneficiaries may access your benefits if you die. You may also be able to access your benefit if you satisfied another condition of release under superannuation law before 1 April 2009.

The Australian Government also requires the Trustee to pay temporary residents' unclaimed superannuation to the ATO after at least 6 months have passed since the later of:

- the date a temporary resident's visa ceased to be in effect; and
- the date a temporary resident permanently left Australia.

The ATO identifies and informs the Trustee of the impacted members on a twice yearly basis. Once your benefit has been transferred to the ATO you will need to claim it directly from the ATO ([www.ato.gov.au](http://www.ato.gov.au)).

If your benefit has not yet been transferred to the ATO, you can claim it from SuperWrap Essentials under the Departing Australia Superannuation Payments (DASP) regime. Full information regarding DASP procedures and current taxation rates can be found at [www.ato.gov.au](http://www.ato.gov.au)

**(l) Insert the following after the text under 'Generating wealth' in the SuperWrap Essentials Pension Plan section of the PDS:**

**Eligibility**

Generally, to purchase a pension or non-commutable pension, you must be an Australian or New Zealand citizen, a permanent resident of Australia or hold an Australian retirement visa (Subclass 405 or 410). If you are or have been a holder of a temporary visa under the *Migration Act 1958*, you may be ineligible to purchase a pension or non-commutable pension. You should seek advice before applying for a pension or non-commutable pension.

**(m) Insert the following as the final paragraph under 'Payments' in both (i) the SuperWrap Essentials Pension Plan section; and (ii) the SuperWrap Essentials Term Allocated Pension Plan section of the PDS:**

The Government has provided relief from the minimum pension payment requirements for the 2011/12 financial year. This means that your minimum pension payment specified by Government regulations will be reduced by 25% for the year ended 30 June 2012. For example if your minimum payment requirement for the 2011/12 financial year was \$10,000 you will be able to choose to take a payment of only \$7,500 for the financial year.

**(n) Insert the following as a footnote to the first sentence of the third paragraph under 'On payments' in both the (i) SuperWrap Essentials Pension Plan section; and (ii) SuperWrap Essentials Term Allocated Pension Plan section of the PDS:**

For the 2011/2012 financial year a Flood Levy of up to 1% may also apply to the taxable component of each regular payment.

**(o) Insert the following directly below the table under 'On your death' in both the (i) SuperWrap Essentials Pension Plan section; and (ii) SuperWrap Essentials Term Allocated Pension Plan section of the PDS:**

For the 2011/12 financial year a Flood Levy of up to 1% may apply to taxable components above \$50,000 in addition to the above rates of tax.

**(p) Insert the following footnote numbered '1' after the first reference to the word 'spouse' under 'Death benefits – Nominating beneficiary' in the Other important features section of the PDS:**

1\_Your spouse includes:

- your husband or wife via marriage; or
- your de facto partner or any other person with whom you are in a relationship (provided that this relationship is registered under a certain state or territory law); or
- another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

**(q) Consecutively re-number the other footnotes under 'Death benefits – Nominating a beneficiary' in the Other important features section of the PDS.**

**(r) Delete the text under 'Family Law – splitting superannuation benefits' in the Other important features section of the PDS, and replace it with the following:**

Provisions of the *Family Law Act 1975* ('the Act') deal with the treatment of superannuation on relationship<sup>1</sup> or marriage breakdown with a spouse<sup>2</sup>. The Act provides that a member's superannuation benefit may be split with the member's spouse or former spouse on marriage or relationship breakdown. Alternatively, for a Personal Super Plan member a payment flag may be imposed on the member's superannuation benefit.

In order for the Trustee to commence any payment split or impose a payment flag on your SuperWrap Essentials account, the Trustee must have been served with either:

- a superannuation agreement, made between you and your spouse or former spouse, and in accordance with the requirements of the Act, or
- an order of the Family Court of Australia, that specifies how your benefit is to be split with your spouse or former spouse or that a payment flag must be applied to your account.

The Act also specifies that the Trustee must be provided with certain evidence of marriage or relationship breakdown if you serve a superannuation agreement on the Trustee. You and/or your spouse or former spouse may arrange for the required documents to be served on the Trustee. Documents can only be served on the Trustee for the purposes of the Act at the following address:

Family Law and Superannuation Officer

SuperWrap Trustee  
c/- SuperWrap  
GPO Box 2675  
Sydney NSW 2001

All documents served on the Trustee should be either an original or a certified copy.

If the Trustee is required to effect a payment split on your benefit, the value of your account will reduce by the amount that is paid to, or for the benefit of, your spouse or former spouse.

**Information about your superannuation benefit**

Where an eligible person under the Act wishes to negotiate a superannuation agreement with you (which may be before or during a relationship, or after relationship breakdown) or facilitate the preparation of an order of the Family Court, they may apply to the Trustee to receive information about your benefit. Where the application is made in accordance with the requirements of the Act, the Trustee will be obliged to provide the requested information and will not be permitted to inform you about the application.

**Professional advice**

The Act involves many complex requirements in relation to splitting a superannuation benefit. It is recommended that, if you believe your SuperWrap Essentials benefit will be affected by the Act, you should consult your legal adviser, financial adviser and/or accountant.

<sup>1</sup> Legislation to expand the Family Law Act to cover relationship breakdown as well as marriage breakdown is effective from 1 July 2010 for South Australia and from 1 March 2009 for all other States and Territories (with the current exception of Western Australia).

<sup>2</sup> Your spouse includes:  
-your husband or wife via marriage; or  
-your de facto partner or any other person with whom you are in a relationship (provided that this relationship is registered under a certain state or territory law); or

-another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.



**(s) Insert the following before 'Consolidating your accounts' in the Other important features section of the PDS:**

**Trans-Tasman retirement savings portability scheme**

On 12 May 2009, the Government announced that it has agreed in principle to establish a 'trans-Tasman retirement savings portability scheme'. The scheme aims to permit transfers of superannuation savings between certain Australian superannuation funds and New Zealand KiwiSaver funds. To date, while a Memorandum of Understanding has been signed by Australia and New Zealand, no legislation has been introduced to Parliament and the start date of the scheme has not yet been determined.

**(t) Insert the following after the text under 'Unclaimed money' in the Important information section of the PDS:**

From 1 July 2010, the Trustee is also required to transfer to the ATO an account of a lost member:

- with a balance of less than \$200; or
- which has been inactive for a period of five years and the trustee is satisfied that it will never be possible to pay an amount to the member.

If your account balance is transferred you will be able to reclaim it from the ATO.

Apart from any interest investors may have in underlying bank accounts held at Westpac Banking Corporation (the Bank), an investment in, or acquired through, SuperWrap Essentials is not an investment in, deposit with or any other liability of, the Bank or any other company in the Westpac Group. These investments are 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 stands behind or otherwise guarantees the capital value or investment performance of any investments in, or acquired through, SuperWrap Essentials.

The information in this SPDS has been prepared without taking account of your objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs.

If you have any questions about these changes, please contact your adviser.