

Managed Account

Product Disclosure Statement

For clients of GPS Wealth Ltd

30 June 2016

Part 1 of the Managed Account PDS
for clients of GPS Wealth Ltd



Issuer/responsible entity: Netwealth Investments Limited

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This Product Disclosure Statement ('PDS') has been prepared and issued by Netwealth Investments Limited (ABN 85 090 569 109, AFS Licence No. 230975) ('Netwealth', 'we' or 'us') in its capacity as the Responsible Entity of the Netwealth Managed Account ('Managed Account') which is a registered managed investment scheme (ARSN 604 930 252). This PDS is made up of a number of parts and you need to make sure you have all of them – see the 'About the Managed Account documents' section on page 5.

The offer or invitation to which this PDS relates is only available to clients of GPS Wealth Ltd (ABN 17 005 482 726, AFS Licence No. 254544) ('GPS').

GPS is not an issuer of the Managed Account and has not authorised or caused the issue of this PDS.

GPS has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named.

GPS does not provide any representations or warranties, or guarantee any return on any investment in the Managed Account.

The Managed Account is currently only available via the Netwealth Wrap Service or the Netwealth Superannuation Master Fund (a 'Netwealth platform' or 'platform').

This offer is only available to persons receiving this PDS within Australia. This document is subject to copyright. No part of it may be reproduced without Netwealth's consent.

If you received the PDS electronically, we will provide a paper copy free upon request. If obtaining an electronic copy, please ensure you have a complete copy of each of the documents that make up the PDS.

It is important you understand that the values of most investments fluctuate. In other words, most investments go up and down in value as investment specific or general market conditions change. Your investment does not represent deposits with, or other liabilities of, Netwealth. Your investment is subject to investment risk, including possible delays in repayment and loss of income and principal invested, and neither Netwealth nor any associated company guarantees the performance of your investment, that you will earn any return on your investment or that your investment will gain or retain its value.

For help with investing generally, please speak to a registered financial adviser. The Australian Securities and Investments Commission ('ASIC') can help you check if a financial adviser is registered by calling them on 1300 300 630 or by checking on their website www.moneysmart.gov.au. If you don't have an adviser, contact us and we can put you in touch with someone who can help.

A note about general advice

This PDS contains general advice only, which does not take into account your individual objectives, financial situation or needs. You should assess whether the information is appropriate for you having regard to your objectives, financial situation and needs, and consult a financial adviser before making a decision about whether to invest in the Managed Account or any of the Managed Models.

Information in this PDS is based on taxation and other relevant laws and their current interpretation at the date of issue.

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About the Managed Account

The Managed Account provides you with access to a range of professionally managed investment portfolios or **'Managed Models'**.

Each Managed Model is a set of underlying assets that is managed based on the investment decisions of a professional investment manager (the **'Model Manager'**).

The Managed Account and its Managed Models are options available to manage the assets that are held for you in the following wrap and superannuation services:

Netwealth Wrap Service	Netwealth Superannuation Master Fund
<ul style="list-style-type: none"> • Wealth Accelerator Plus • Investment Wrap 	<ul style="list-style-type: none"> • Super Accelerator Plus • Super Wrap

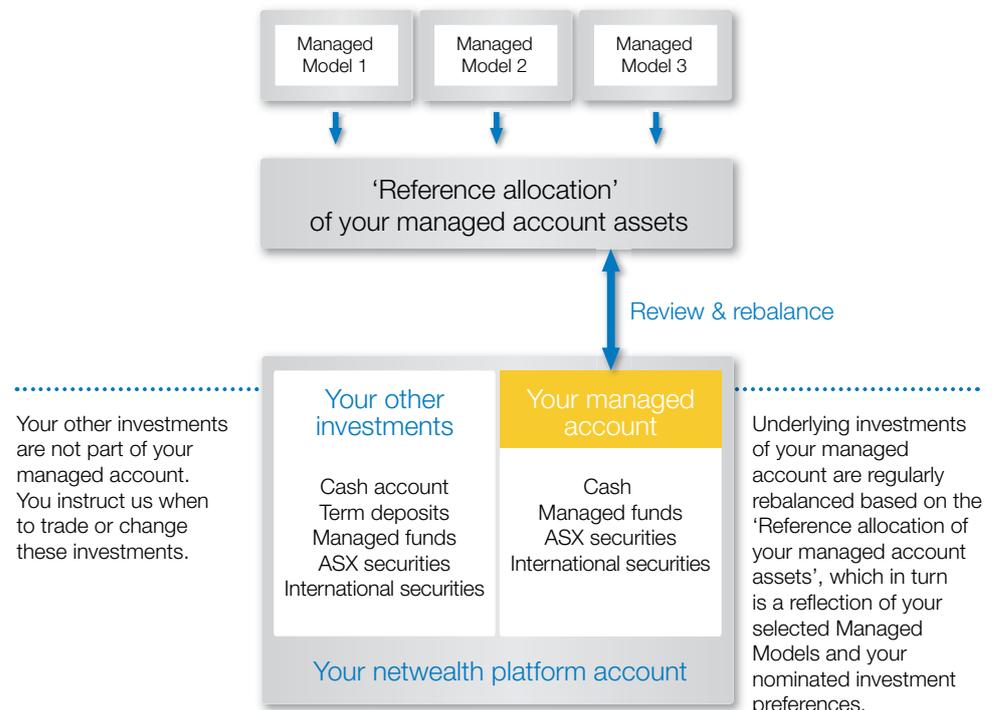
These wrap and superannuation services enable you to acquire and retain a wide range of investments and to easily monitor and administer those investments.

How the Managed Account works:

This is a brief summary of the Managed Account. Please see the Managed Account Guide for further details about how the Managed Account works.

By accessing the Managed Account through your wrap or superannuation account (referred to in this PDS as **'your platform account'**) you can have some or all of the investments you hold in your platform account managed based on your selected Managed Models (or **'models'**). You can choose from a range of models designed and managed by professional investment managers. The models available are listed in Part 2 of this PDS which is the Managed Models Menu for clients of GPS Wealth Ltd (**'Managed Models Menu'**).

The underlying assets, which will be held in part of your platform account, will be invested based on your selected models and will be regularly reviewed and rebalanced based on the ongoing investment decisions made by the Model Manager. The part of your platform account that will be managed in this way is referred to as **'your managed account'** in this PDS.



Note that the allocation of assets held in your managed account will not always exactly match those of your chosen models. This may be due to the application of minimum holdings and trade sizes, your personal investment preferences and timing differences. Please see the Managed Account Guide for further details about how these variables affect the allocation of assets in your managed account.

About the Managed Account documents

Please ensure you have a complete copy of this PDS:

If you received this PDS (including the Managed Models Menu), or any document referred to in this PDS, electronically, we will provide a paper copy free upon request.

If you obtain an electronic copy of this PDS, please ensure you also have a complete copy of each of the documents listed on this page.

If in the future you invest further amounts, choose to use additional features or select different models, you should review the relevant documents before doing so as conditions and features may have changed since you previously read them.

Netwealth has published a number of documents to help you understand the Managed Account and how it works. These documents are:

- the PDS which includes
 - this document, which is Part 1 of the PDS; and
 - the Managed Models Menu, which is Part 2 of the PDS
- the Managed Account Guide; and
- a Managed Model profile for each Managed Model listed in the Managed Models Menu. Each profile is included in the Managed Model Profiles document for the respective Model Manager.

You should ensure that you have a copy of all of these documents before completing an application or selecting any Managed Models.

This PDS

Part 1 of this PDS contains information about the key benefits, risks and features of the Managed Account available to clients of GPS.

Part 2 of this PDS, the Managed Models Menu, sets out a list of the models available to clients of GPS through the Managed Account.

The Managed Models Menu provides important information about the Managed Models, including the investment management fees and the minimum investment for each model. The Managed Models Menu is updated regularly and you should ensure you have the current version of the document which is available on our website (www.netwealth.com.au/gpswealth).

Managed Account Guide

The Managed Account Guide provides more detailed information about how your managed account works and some of the procedures we follow when you operate your managed account. It also includes information about the role of Netwealth as responsible entity, the role of the Model Manager and risks associated with using the Managed Account. The information in the Managed Account Guide is taken to be included in this PDS.

Managed Model Profiles

In addition to the information in the Managed Models Menu, further important information about each model, including information about its Model Manager, investment objective, the type of investor it is suitable for and its investment strategy is set out in the '**Managed Model Profiles**' document. The Model Manager and the models covered are listed on the cover of the Managed Model Profiles document. The Managed Model Profiles document is available on our website (www.netwealth.com.au/gpswealth), from your adviser or by calling Netwealth on Freecall 1800 888 223. We will provide a paper copy of the Managed Model Profiles document for free upon request.

The information in the Managed Models Profiles document is taken to be included in this PDS.

Managed Account application

This PDS is accompanied by a 'Managed Account Application form for clients of GPS Wealth Ltd' ('**Application**'). To have assets held in your platform account managed in accordance with one or more Managed Models you will need to complete the Application and send it to us. Alternatively, you can complete an Application online by logging in to your platform account.

Disclosure documents for your platform account

The Managed Account is only available through an account held in your platform account in the Netwealth Wrap Service or the Netwealth Superannuation Master Fund.

Details of each of these services are included in the relevant disclosure document. These disclosure documents are the Product Disclosure Statements for Super Accelerator and Super Wrap, the IDPS Guide and Financial Services Guide for Wealth Accelerator and the Important Information Booklet for Investment Wrap, and include any documents incorporated by reference or referred to in the disclosure documents. The disclosure documents include important information about the operation of your platform account, the fees charged by your platform account when you use the Managed Account and the risks of investments held in your platform account.

Accessing these documents

All of the documents described above are available free of charge:

- on our website (www.netwealth.com.au/gpswealth);
- in printed form by calling Freecall 1800 888 223; or
- from your financial adviser

You may obtain a copy of the constitution for the Managed Account free of charge by calling Freecall 1800 888 223 or contacting Netwealth at the address on page 2.

Changes to these documents

Changes that may affect your managed account will be updated in these documents or on our website. You should check from time to time to see if any of the changes are important to you.

Some important terminology

In this PDS and in the Managed Account Guide we use the following terms to help explain how the Managed Account works:

Term	Meaning
Netwealth	Throughout this PDS a reference to 'Netwealth', 'we' or 'us' means Netwealth Investments Limited (ABN 85 090 569 109, AFS Licence No. 230975) in its capacity as the Responsible Entity of the Managed Account, unless otherwise stated.
Managed Account	The Netwealth Managed Account (ARSN 604 930 252) which is the Managed Investment Scheme described in this PDS.
Your managed account	An account within your Netwealth wrap or superannuation account which holds all the assets acquired and held for you under the Managed Account.
Managed Model (or model)	A model investment portfolio available in the Managed Account. The Managed Models (or models) you choose are the basis for the assets that will be held in your managed account.
Model Manager	An investment manager (which may be Netwealth or an agent appointed by it) who determines the ongoing investment holdings for a particular Managed Model in the Managed Account.
CARE Managed Models	Managed Models provided by GPS.
Model allocation	You can choose one or more Managed Models. The model allocation is the proportion of your managed account to be invested in each of your chosen Managed Models.
Reference allocation	A theoretical allocation of assets in your managed account which is used by Netwealth to rebalance your managed account. The reference allocation is the result of blending your chosen Managed Models and your nominated investment preferences. This allocation will change or 'float' on a daily basis.
Float	The allocations to assets and to Managed Models in your managed account do not remain fixed. They will move or 'float' in line with movements in the market value of the assets and with cash flows associated with the assets or models.

Updating this PDS:

Information in this PDS and in the documents incorporated in or referred to in this PDS may change from time to time in the future.

Where the changes are not materially adverse, the updated information will be made available to you on our website or by contacting us on Freecall 1800 888 223.

A paper copy of any updated information is available from us free of charge upon request.

Term	Meaning
Rebalance	Netwealth will regularly review the assets in your managed account and, if necessary, we will buy or sell assets to keep them in line (as closely as practicable) with your selected Managed Models and your nominated investment preferences. We describe these trades as a 'rebalance'.
Investment preferences	Certain instructions that you can provide to Netwealth regarding investments in your managed account (for example, to exclude a particular asset).
Trade	A transaction involving assets in your managed account including buying and selling listed securities and acquiring or redeeming units in managed funds.
Platform	The Netwealth product or service through which you invest in the Managed Account which will be Super Accelerator, Super Wrap, Wealth Accelerator or Investment Wrap.
Your platform account (or your Netwealth platform account)	Your account in Super Accelerator, Super Wrap, Wealth Accelerator or Investment Wrap, as applicable.
Our website	A reference to 'our website' is a reference to www.netwealth.com.au/gpswealth .

Benefits of the Managed Account

The key features and benefits of the Managed Account are:

- Professional investment management:**
 The assets in your managed account will be regularly reviewed and rebalanced based on the decisions of your chosen Model Manager, reducing the need for you to constantly monitor your portfolio and make investment decisions.
- Transparency and control of underlying investments:**
 The underlying assets of the Managed Models you choose are held in your platform account. This means you can see what assets you are invested in and, if you decide to change models or withdraw from your platform, you can retain or trade those assets to suit your needs (subject to any limitations that apply to your platform account).

The benefits and how they are achieved	
Investment performance	Returns on your investments in your platform account are influenced by many factors. By using the Managed Account your investments are regularly reviewed and rebalanced by reference to the models set by your chosen Model Manager. This can contribute to investment performance as your investments are regularly reviewed and management decisions utilise the skills of the relevant Model Manager.
Control of your investment strategy and outcomes	Choice of models, covering a spread of investment strategies and asset types, gives you the opportunity to select a particular investment strategy that is appropriate for your needs. By nominating investment preferences, you can also customise your investment portfolio by placing certain restrictions on certain assets to be held in your account. Your underlying investment assets are held in your platform account and you may be able to change Managed Models or withdraw from the Managed Account without necessarily having to sell all the underlying assets.
Confidence in how your money is invested	You can see exactly where your money is invested, how each asset contributes to your investment performance and what investment decisions have been implemented on your behalf.
Convenience	You can manage your investments through the one account which is accessible online. This provides you or your adviser with information about all your investments in one place and saves you time when managing your investments.
Cost efficiency which contributes to investment performance)	You can move compatible assets into your managed account, which may reduce the need to trade assets, and you can move assets out of your managed account without having to sell them. This can help reduce trading costs, stamp duty and tax. If you decide to change between Managed Models, only those assets that are different or have different weightings between the two models will need to be traded. This can reduce trading costs and tax when you switch between models.
Tax efficiency (which contributes to investment performance)	In addition to the tax efficiencies when you change investment strategies, as described above, there are potential benefits because the tax you pay is directly related to the income and realised capital gains from your investments. Unlike managed funds, your tax position is not affected by previous transactions made by the fund manager, which can lead to accumulated tax liabilities in the managed fund, or the need for the managed fund to sell assets and realise gains due to other investors leaving the managed fund.

Features at a glance

The following tables provide a summary of some important features of the Managed Account. Please ensure that you read this PDS in full and the Managed Account Guide.

Transacting		More details
Minimum investment	Each Managed Model has a minimum investment amount. The minimum may be different for each model.	Managed Models Menu
Minimum addition	You may add amounts to the assets in your managed account. The minimum addition to any model is \$1,000.	Managed Account Guide
Transferring assets into your managed account	You can transfer existing assets held in your platform account into your managed account, provided they are the same type of asset used in your chosen Managed Models.	Managed Account Guide
Withdrawing funds from your managed account	You can instruct us to withdraw funds from your managed account at any time. Once sufficient cash is available it will be paid to your platform cash account and your managed account will be rebalanced. The minimum withdrawal from the assets in your managed account that are managed according to a particular Managed Model is \$1,000.	Managed Account Guide
Transferring assets out of your managed account	You can transfer assets out of your managed account without selling the assets. Assets will be retained in your platform account and your managed account will be rebalanced.	Managed Account Guide
Changing your Managed Models	You can change your chosen Managed Models or model allocation at any time. This will cause your managed account to be rebalanced.	Managed Account Guide
Rebalancing		More details
Rebalancing your managed account	Netwealth will regularly review the assets in your managed account and, if necessary, we will rebalance your account to keep it in line with your chosen Managed Models and any nominated investment preferences. A rebalance may occur because a Model Manager has made a decision that requires a change to the investments of the model. Your managed account may also be rebalanced if you have switched into or out of a model, transferred assets into or out of your managed account or changed your model allocation. Your allocation to assets will 'float' and your managed account will not be rebalanced back to its initial proportions following changes in asset market values. See 'Floating allocation' below in this table.	Managed Account Guide
Minimum holding size	There is a minimum holding of \$250 in any single asset within your managed account which applies when assets are rebalanced. You can choose to set a higher minimum holding size which will apply to all assets in your managed account.	Managed Account Guide
Minimum trade size	There is a minimum trade size of \$100 for any purchase or sale of an asset in your managed account which applies when assets are rebalanced. You may choose to set a higher minimum trade size which will apply to any trade in your managed account.	Managed Account Guide
Floating allocation	The allocation to assets in your managed account will be allowed to float with movements in the value of the assets. The allocation to Managed Models will also be allowed to float with movements in the market value of investments. This means that your account is not rebalanced simply because investment values have changed.	Managed Account Guide

Warning: If you instruct us to apply personal investment preferences, these may increase the number of trades and the transaction costs applied to your account.

Investment preferences you can nominate		More details
Substitute	You may instruct us not to buy or hold a particular asset in your managed account and, where this asset is included in your selected Managed Models, to hold another specific asset (that we agree to hold) instead.	Managed Account Guide
Don't hold	You may instruct us not to buy or hold a particular asset in your managed account and, where this asset is included in your selected Managed Models, to spread its allocation across the other assets included in the selected models.	Managed Account Guide
Lock	You may instruct us to retain a holding in a particular asset in your managed account and to not trade (buy or sell) any of that asset during a rebalance.	Managed Account Guide
Minimum holding and trade sizes	You may choose to set a higher minimum holding and/or trade size.	Managed Account Guide
Other features		More details
Taxation	<p>Tax will depend on whether your managed account is held in the Netwealth Superannuation Master Fund or the Netwealth Wrap Service.</p> <p>Tax outcomes will reflect the income you receive from your underlying asset holdings and capital gains or losses realised when your underlying assets are sold.</p>	Page 18
Reporting	<p>The assets you hold in your managed account will be included in your platform account reports. You will not be provided with separate reporting for your managed account or in relation to the Managed Account.</p> <p>Netwealth will report the investment performance of each underlying asset you hold in your platform account.</p> <p>Netwealth will provide information about the notional performance of each Managed Model. The notional performance of the model is unlikely to exactly match your actual investment returns. This is because the assets you hold in your account will not always exactly match those of your chosen models (for example, due to your personal investment preferences).</p>	<p>Managed Account Guide</p> <p>The relevant disclosure document for your platform account.</p>
Website	By logging into your Netwealth wrap or superannuation account you can view your current investments, your allocation to Managed Models and the investment transactions in your account. You can also undertake transactions online, including adding to, withdrawing from or switching between Managed Models, updating your investment preferences or suspending rebalances.	The relevant disclosure document for your platform account.

Risks

It is important that you understand the applicable risks before you make investments using the Managed Account. More information about the risks of investing using the Managed Account is available in the Managed Account Guide.

All investing involves some degree of risk. The values and returns of most investments fluctuate. Generally, the higher the potential return from an investment, the greater the associated risk. Please refer to the disclosure document for your chosen Netwealth platform for a full explanation of the risks associated with investment through the platform.

You should also consider getting professional investment advice that is tailored to your investment objectives, financial situation and particular needs as this will assist you in deciding whether you are comfortable with the risks involved. If you do not understand all of the risks associated with the Managed Account as described in this PDS, you should ask your financial adviser, or an investment professional, to explain them to you.

Risks associated with the Managed Account

There are risks associated with the operation of your managed account. Whilst Netwealth will take reasonable steps to minimise or control risks where it can, these risks cannot be eliminated and may affect the performance of your managed account. Risks associated with the operation of your managed account include the following:

- **Risks associated with particular Managed Models:** These include risks associated with the level of diversification in particular models, the subjective nature of investment decisions made by the Model Manager, potential changes to the Model Manager such as the loss of key staff and the Model Manager failing to effectively implement their stated investment philosophy.
- **Risks associated with the operation of your managed account:** These include that: the actual asset holdings in your managed account are unlikely to exactly match the holdings of your chosen models, the amount of trading associated with rebalances will have an impact on your trading costs and investment performance, if rebalances are suspended, then your managed account may not reflect the most recent investment decisions made by your Model Manager and, during the rebalance process it is possible that the completion of a trade may be delayed. Also, there are systems risks as the operation of your managed account relies on Netwealth's systems and processes operating effectively and efficiently to establish and rebalance Managed Models and on the Model Manager providing Netwealth with updated information regarding the investments of the models on a regular basis.

Investment risks

Investments made through the Managed Account carry investment risks. These risks may impact on the value of your assets and/or limit your ability to sell or redeem assets.

Investment markets are affected by numerous factors. These include market risk, currency risk and interest rate risk. There is a risk that your selected investment options may experience negative investment returns and you should understand that the higher the expected return, the more likely that negative returns may be experienced in the short term.

Standard Risk Measure

The Standard Risk Measure for each Managed Model is available in the Managed Models Menu. The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment options.

Understanding risks:

You should read the Managed Account Guide before you invest. The Managed Account Guide contains more information to help you understand the risks of investing using the Managed Account.

Other risks of your platform account:

There are risks associated in investing through the Netwealth wrap or superannuation service. Please refer to the disclosure documents and Information Guides for the relevant platform for more information.

Standard Risk

Measure: Information about the Standard Risk Measure for each Managed Model is available in the Managed Models Menu.

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 investor 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 fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This section outlines all the fees and costs that you may be charged when investing via the Managed Account. These fees and costs may be deducted from your money or from the returns on your investment. All fees and costs include GST and all amounts in this PDS are in Australian dollars.

When you invest via the Managed Account, Netwealth, as operator of your platform, will charge fees that are specific to using the Managed Account within the platform. These will be in addition to the other fees and costs applying to your platform account. It is important that you read the section of the disclosure document for your platform account headed 'fees and other costs' which sets out all the fees and costs of using the Managed Account in your platform account.

No additional fees will be charged to you by Netwealth as responsible entity of the Managed Account. However, the responsible entity is entitled to recover certain expenses incurred in relation to the operation of the scheme from your managed account.

The total fees and costs you need to pay include the fees and costs of the platform, the fees for the Managed Account and the fees and costs of any investments you hold in your managed account.

Information about taxes is on page 18 of this document.

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

Fees and costs for your platform account:

for additional information about the fees and costs of operating your managed account within your wrap or superannuation account you should read the disclosure document for your platform.

Fees and costs for your chosen Managed Models:

For additional information about the fees for particular models you should read the Managed Models Menu.

Managed Account		
Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of your managed account		
<i>Establishment fee</i> The fee to open your investment	Nil	
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	
<i>Exit fee</i> The fee to close your investment	Nil	
Management costs¹		
<i>The fees and costs for managing your investment</i> <i>Investment management fee</i> An investment management fee is payable for each Managed Model.	Up to 0.10% p.a. of the assets in your managed account that are managed in accordance with a Managed Model as set out in the Managed Models Menu and the Managed Model Profiles documents.	Netwealth as the platform operator charges this fee for each Managed Model that applies to your managed account. The fee is calculated daily based on the value of assets that are subject to management in accordance with the relevant Managed Model, and is deducted monthly from your platform account.
Service fees		
<i>Switching fee</i> The fee for changing Managed Models	Nil	Netwealth does not charge a switching fee but transaction costs may apply when assets are traded within your managed account - see page 15.

1. Where you use CARE Managed Models the Model Fee will also apply. See the section headed 'Model Fee' below.

Additional explanation of fees and costs

Administration fees and costs

All your managed account assets are held in your platform account. Your platform charges an administration fee as described in the disclosure document for the platform. No additional administration fees or costs will be charged by Netwealth as responsible entity of the Managed Account.

Netwealth (as responsible entity of the Managed Account) is entitled to recover certain expenses payable in relation to the operation of the Managed Account from your managed account. These expenses are detailed in the constitution and include, but are not limited to, audit fees, legal fees, accountancy fees, custody fees and fees or levies imposed by regulators. Netwealth does not currently intend to deduct any such operating expenses from your managed account and will provide investors with 30 days' notice prior to doing so.

Netwealth (in its capacity as platform operator) may waive or negotiate platform administration fees at its discretion.

Investment fees and costs

Investment management fee

The investment management fee described in the table above is deducted from your platform account and paid to Netwealth as the platform operator, as described in the disclosure document for the platform. The amount of the investment management fee is based on the fee rate for the Managed Model, as shown in the Managed Models Menu, and the value attributed to the relevant model, which is equal to the total value of all the assets in your managed account (including any cash holdings and assets held as a result of your investment preferences) multiplied by your model allocation for the relevant model.

Model Fee

GPS provides general financial product advice in relation to the CARE Managed Models.

You agree that, when you invest in the CARE Managed Models, GPS will be paid a Model Fee in respect of the advice it provides to you and you authorise and direct Netwealth to deduct this fee from your platform account and pay it to GPS. This authorisation is included in the Application accompanying this PDS.¹

The Model Fee is in addition to any other advice fees you authorise and direct Netwealth to pay to your nominated financial adviser or their AFS licensee.

This Model Fee is calculated daily as a percentage of the value of assets that are subject to management in accordance with the CARE Managed Models in which you invest from time to time, using the rates set out in the Managed Models Menu for clients of GPS Wealth Ltd. The Model Fee is deducted monthly in arrears from your cash account.

Like any client directed fee, you can opt out of paying the Model Fee at any time by notifying Netwealth in writing. If you opt out of paying the Model Fee, GPS will cease to provide advice to you, and you will be taken to have directed us to remove the CARE Managed Models from your model allocation. If this occurs Netwealth will seek your instructions regarding the assets held in your managed account.

Investment costs

Investments in your managed account are also subject to investment costs as described in the disclosure document for the platform. Where a model includes managed funds, there will also be fees and costs payable associated with those managed funds. See the disclosure document for the relevant platform for more details.

Cash holdings in your managed account are held in your platform cash account and are subject to fees and costs described in the disclosure document for the platform and will be included in the estimated value of the models for calculation of the investment management fee.

1. The Model Fee referred to in this PDS is a type of ongoing advice fee as described in the disclosure documents for the Netwealth Wrap Service account or an ongoing member advice fee as described in the PDS for the Netwealth Superannuation Master Fund. It is possible for you to agree to other ongoing advice fees as well as the Model Fee.

Transaction costs

Managed Account transaction fee – listed securities

Assets will be bought and sold in your managed account when a rebalance occurs. When listed securities are bought or sold in your managed account, Netwealth, as operator of the platform, will charge the managed account transaction fee – listed securities described in the disclosure document for the platform and which, for convenience, is also listed below:

ASX listed securities:	0.15% of the value of each sale and each purchase.
International securities:	0.15% of the value of each sale and each purchase.

This fee will be deducted from your platform account when the transaction is settled.

If, as the platform operator, Netwealth effects a transaction without buying or selling the relevant listed securities (for example, by netting transactions of different investors) Netwealth is entitled to retain as a fee the amount of any fee that would otherwise have been payable. Netwealth will charge the relevant fee(s) for the transaction as if the transaction had taken place without netting.

Other platform transaction costs

Other platform transaction costs will apply as described in the disclosure document for the platform.

GST on fees and costs

All fees and costs include GST (where applicable). Netwealth, as operator of your platform, may be entitled to claim a reduced input tax credit ('RITC') on the GST payable on certain fees. If the Government changes the rate of GST or RITC or the method of determining the RITC, fees and costs deducted from your account may change.

Changes to fees and costs

Until you are notified otherwise, the fees and costs applying to the Managed Account will remain as set out in this PDS. We will give at least 30 days' notice to investors of any proposed increase in fees or introduction of new fees for the Managed Account.

Fees applying to the Managed Account are charged by the Netwealth platform. No fees are currently charged by Netwealth as responsible entity of the Managed Account though we are entitled to charge fees under the constitution of the Managed Account. As the responsible entity of the Managed Account, we cannot charge more than the maximum fees permitted under the constitution, which are:

- ongoing fees of up to 2.5% per annum of the gross value of your assets in your managed account;
- a transaction fee of up to the greater of \$200 or 2% of the value of any transaction in your managed account; and
- a performance fee of up to 20% of the total return on the value of your assets in your managed account.

We are also able to recover all expenses we incur in relation to the proper performance of our duties in respect of the Managed Account. We may, at our discretion, either waive or defer payment of any fees or costs payable to us.

Example of annual fees and costs for a Managed Model

This table gives an example of how fees and costs using the CARE Balanced Core Portfolio can affect your investment over a one-year period. You should use this table to compare this product with other investment products.¹

EXAMPLE – the CARE Balanced Core Portfolio		Balance of \$50,000 with a contribution of \$5,000 during year²
Contribution fees	0%	For every \$50,000 you put into your managed account you will be charged \$0.
PLUS Management costs	Investment fee on the CARE Balanced Core Portfolio: <ul style="list-style-type: none"> • 0.05% p.a.³ plus Indirect costs for the CARE Balanced Core Portfolio: <ul style="list-style-type: none"> • 1.25% on the amount in cash.⁴ 	And for every \$50,000 you have in the CARE Balanced Core Portfolio, you will be charged \$31.25 each year.
EQUALS Cost of the CARE Balanced Core Portfolio		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$31.25. ⁵ What it costs you will depend on the investment options that you choose and the fees you negotiate.

In addition to the above fees, if you use the CARE Balanced Core Portfolio the Model Fee of 0.247% p.a. will apply. 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 will be charged a Model Fee of \$123.50 for that year. This amount will be paid to GPS. The amount deducted from your account may be less than this amount. This is because the platform may be entitled to receive a RITC on the GST payable on these fees.

1. This example includes costs applied in the Netwealth wrap and superannuation services that are directly attributable to the Managed Account. Additional costs will apply to your platform account. For information about platform costs see the disclosure document for the relevant platform account.
2. This example assumes that there is a constant balance of \$50,000 throughout the year with \$5,000 invested at the end of the year.
3. This is the investment management fee for the CARE Balanced Core Portfolio at the date of this PDS.
4. Where 1% (\$500) of your managed account is required to be maintained in cash.
5. This does not include the Model Fee, which is an advice fee you direct to be paid to GPS. Additional fees may apply. For other fees and transaction costs, see page 15 for further details and the disclosure document for your platform account.

Other payments and benefits paid or received by Netwealth

As the operator of the platform, Netwealth will receive the fees that you pay from your platform account for the services provided to you in connection with the Managed Account. These fees are described in the disclosure document for the platform.

Payments from Model Managers

As the operator of your platform account, Netwealth may receive an ongoing fee from a Model Manager of up to \$10,000 per model for each model managed by them that is available in the platform. This fee is for services in connection with making each model available through the platform. This is paid to Netwealth from the Model Manager's own resources and is not an additional cost to you. The fee is retained by us.

Payments to Model Managers

If Netwealth appoints a Model Manager (and Netwealth is not the Model Manager), Netwealth may pay the Model Manager a component of the investment management fee received by Netwealth in relation to each Managed Model they manage, for the ongoing provision of investment expertise and advice regarding the investments of the model. This may be up to 100% of the investment management fee. However, this does not apply to Managed Models provided by GPS. Netwealth does not pay GPS any component of the investment management fee for Managed Models that GPS manages.

Are our related parties paid fees?

Related parties may perform various functions and services in relation to the Managed Account, subject to meeting any applicable requirements of the relevant law regarding transactions with related parties. Related parties may receive benefits from organisations, such as fund managers, including the opportunity to subscribe for securities. This is not done in competition with our clients or in a way that would adversely affect our clients. In all dealings in relation to the Managed Account we deal with related parties on arm's length terms. Fees paid to related parties of Netwealth in connection with the Managed Account are paid at no more than commercial rates.

Further information

Reinvestment of income for CARE Managed Models

Income paid from assets held in CARE Managed Models will not be allocated to the model. In this instance you may set a standing instruction for the cash to be paid from your managed account into your platform cash account. If you do not provide such an instruction the cash will be included in the next rebalance and allocated to assets to reflect your reference allocation.

Product disclosure statements for managed funds

Managed Models may include managed funds in their investment strategy. Where managed funds may be included in a Managed Model, details of those managed funds are included in the Managed Model Profiles document. Your financial adviser should give you the current product disclosure statement for every managed fund that may be included in a Managed Model that you use or otherwise included in your managed account (for example, because of your nominated investment preferences). The product disclosure statement will also be available on our website.

The managed funds that may be included in a Managed Model may change from time to time. If a managed fund is added to the managed funds that may be included in your chosen Managed Model, we will notify you before an investment is made in that managed fund. It is important that you read the product disclosure statement for that managed fund. If you do not wish a managed fund to be added, you can direct us to exclude that managed fund. If you have appointed an adviser representative on your platform account, they will act as your agent to receive documents including product disclosure statements in connection with managed funds included in your managed account. We will provide them with the relevant product disclosure statements and they should provide these to you – see term 6 of the ‘Things you agree to when you apply to use the Managed Account’ on page 21.

Tax information

There will be tax implications associated with assets held in your managed account. You should obtain up-to-date professional advice about how tax applies to your circumstances before making an investment. Tax outcomes will vary depending on whether your managed account is held in the Netwealth Superannuation Master Fund or the Netwealth Wrap Service. Information about how tax applies to your platform account and to the assets held in those accounts is available in the disclosure document for your platform account.

You will not receive a separate tax statement for the Managed Account. If you hold your managed account through the Netwealth Wrap Service, the Annual Tax Statement for your platform account will include the relevant taxation information about assets you hold in your managed account.

The tax position of individual investors is not considered by the Model Manager when making investment decisions.

Labour standards and environmental, social and ethical considerations

Unless otherwise stated in the relevant Managed Model Profiles document, investment decisions made by the Model Manager do not take into account labour standards or environmental, social or ethical considerations.

What if you change your mind?

As assets are held in your platform account in Netwealth's name and Netwealth is not a retail investor, the 14-day cooling-off period that often applies to managed fund investments generally will not apply, as described in the disclosure document for your platform account. No cooling off period applies to the Managed Account or the selection of Managed Models. If you choose a model that uses assets that have infrequent or restricted redemptions and you change your mind about the investment, you may not be able to redeem it immediately. You should therefore consider the liquidity of the type of assets held in a model before instructing us to invest your funds in it.

What if you have a complaint?

We have arrangements in place to consider and seek to resolve any complaints about the services we provide to you. If you have a complaint about Netwealth, the Managed Account, your platform or our other services, you may contact us by email or telephone as shown on page 2 of this PDS or by writing to:

The Manager – Investor Services
Netwealth Investments Limited
PO Box 336
SOUTH MELBOURNE VIC 3205

We will respond to you within 45 days of receipt of the complaint.

Netwealth is a member of the Financial Ombudsman Service (**FOS**), an independent complaints service. If you are not satisfied with the result of our internal complaints procedure, you may be able to refer your complaint to FOS. You can get more information by calling 1300 780 808 (or Freecall 1800 367 287), going to www.fos.org.au or you can send your enquiry or complaint to:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001

To allow FOS to easily identify us, please quote our code number 10709.

If you have a complaint about advice that you have received from your adviser, you should contact the adviser or their AFS Licensee. The Financial Services Guide provided by your adviser will outline their dispute resolution procedure. Netwealth is not responsible for your adviser, the advice that they provide or the actions that they may take.

Compensation arrangements

We hold a professional indemnity insurance policy suitable for our business. This seeks to ensure that we are able to compensate you if you suffer any loss as a result of us (or any of our representatives), breaching certain of our legal obligations to you. These arrangements satisfy the requirements set out under section 912B of the Corporations Act.

Privacy

When you complete an application, Netwealth, as the operator of the Managed Account, will be collecting personal information from you.

Netwealth acts in more than one capacity. Information that Netwealth collects about you in its capacity as responsible entity of the Managed Account may also be used by Netwealth in its capacity as trustee of the Netwealth Superannuation Master Fund and/or as operator of the Netwealth Wrap Service, and vice versa.

Netwealth is committed to ensuring that the personal information we collect is handled responsibly and in accordance with the Privacy Act 1988. As part of our commitment to ensuring the safety of our clients' private and confidential information and as a mechanism to ensure compliance with the Privacy Act, we have established and implemented a Privacy Policy. Our Privacy Policy explains our policies and practices with respect to the collection and management of personal information we may collect from you.

We will not be able to process your Application or administer your portfolio if you do not provide us with your relevant personal information. We will collect, use and disclose your personal information in accordance with our Privacy Policy.

You may request access to the personal information we hold, subject to certain exceptions under the Privacy Act.

Privacy policy:

A copy of the Netwealth Privacy Policy is available on our website or by contacting us.

Things you agree to when you apply to use the Managed Account

When you apply to access the Managed Account through the platform and Netwealth (in its capacity as responsible entity of the Managed Account) accepts your Application, you and Netwealth (as responsible entity) have a contract under which Netwealth agrees to provide the functions of the Managed Account to you and you make certain representations, promises and acknowledgements to Netwealth and give certain indemnities for the benefit of Netwealth.

In particular, you expressly agree to all of the following:

1. You agree to the terms and conditions of the Managed Account.

The terms and conditions of the contract between you and us ('**this contract**') comprise:

- the terms and conditions set out in this 'Things you agree when you apply to use the Managed Account' section of this PDS;
- the terms and conditions in the 'Application' form and all other forms completed by you or on your behalf in connection with your investment in the Managed Account; and
- the constitution of the Managed Account as amended from time to time.

By applying to use the Managed Account, you agree to those terms and conditions. In addition, if you apply online to access the Managed Account through the platform, the matters you agree when completing the online application also form part of the terms and conditions of this contract and you also agree to those terms and conditions.

You agree that, subject to law, Netwealth may amend this contract from time to time as it reasonably considers necessary or desirable without prior notice to you. Netwealth will notify changes in notices which may be sent to you or may be made available on our website, or in product disclosure statements which are available on our website, or by a combination of these things. If any amendment is materially adverse to you, Netwealth must give you sufficient notice to enable you to close your managed account and have any assets held in your account (or the net proceeds from them) transferred from the account prior to the amendment taking effect. This power of amendment is in addition to Netwealth's powers of amendment under the constitution.

You agree that it is your responsibility to familiarise yourself with the aspects of the Managed Account described in this PDS (including the documents incorporated by reference in it and taken to be included in it) that are relevant to you, both when you apply to open your account and if you subsequently choose to use new or additional Managed Models or facilities in the Managed Account.

To the extent that you have a liability to Netwealth under this contract, and that liability is not fully satisfied through any right that Netwealth has to indemnification out of your managed account or your platform account, you agree to pay Netwealth the amount of the unsatisfied liability immediately on demand for payment being made by Netwealth.

2. You agree it is your responsibility to check updates before making future investments.

You agree that, while the information in this PDS is up to date as at the time when it is given to you, from time to time in the future there may be changes materially affecting the Managed Account and, before deciding to make further investments in any Managed Models, it is your responsibility to familiarise yourself with the changes which are notified by Netwealth in notices to members, in supplementary disclosure documents, in new disclosure documents and in new or replacement documents incorporated by reference in this PDS or taken to be included in it (all of which are available to you on our website at www.netwealth.com.au/gpswealth) or by a combination of these things. Where you invest further amounts in the Managed Account in the future, you agree that you do so on the basis of the changes notified by Netwealth in these ways.

3. No guarantee or advice from Netwealth.

You have the sole discretion to decide what Managed Models will be acquired, held, disposed of or otherwise dealt with. As the responsible entity of the Managed Account, Netwealth will implement your decisions on which Managed Models to use and the investment decisions of the Model Manager (subject to your nominated investment preferences and other limits described in the PDS including all documents incorporated by reference in it or taken to be included in it) but Netwealth is not responsible for any investment decisions you may make or for monitoring or advising you in relation to your investments and Netwealth will never provide you with personal advice based on your financial circumstances, objectives or needs in relation to the Managed Account or Managed Models.

You agree and acknowledge that investments made through the Managed Account, including any interests in any managed funds, ASX listed securities, international securities or any other investments are subject to investment risk, including possible delays in repayment and loss of income and capital invested.

You agree and acknowledge that neither the repayment of capital nor the performance of investments in your managed account is guaranteed by Netwealth.

4. Privacy and information about you.

You agree that you have read and understood the 'Privacy' section of this PDS and the Netwealth Privacy Policy and you agree to your personal information being collected and used in accordance with this section and the Netwealth Privacy Policy. You acknowledge that you can opt out from the use of that information for the purpose of direct marketing by contacting us by telephone or in writing as shown on page 2.

You agree that you will provide Netwealth with any information Netwealth may request which relates to investments made through your managed account, and if any of the information provided by you changes, you agree to notify Netwealth as soon as possible.

5. You appoint Netwealth as your agent regarding investments in your managed account.

You appoint Netwealth (in its capacity as responsible entity of the Managed Account) as your agent to give instructions to the operator of the relevant platform to deal with the investments in your managed account as described in item 7 below or elsewhere in this PDS from time to time, and for any other purpose incidental to the operation of your managed account in accordance with this PDS or the Managed Account Constitution from time to time.

6. You appoint your adviser representative (if applicable) to be your agent to receive documents.

This section only applies if you have appointed your adviser as your adviser representative in relation to your platform account.

Your adviser, in their capacity as your adviser representative, offers to act as your agent to receive on your behalf any documents relating to any of the assets acquired or held in your managed account and to provide this information to you. By completing the Application, you accept your adviser representative's offer and appoint your adviser representative as your agent authorised to receive such documents. Netwealth agrees to ensure that your adviser representative (in their capacity as your agent) receives the current product disclosure statement for any managed funds included in your managed account before those managed funds are acquired for you.

7. Investments made for you through the Managed Account.

You agree that Netwealth (as operator of the relevant platform) will establish a managed account within your platform account and that assets identified by you will be held in this managed account.

You agree that Netwealth will purchase and subsequently trade investments in your managed account on instructions that Netwealth receives from the Model Manager of Managed Models that you have chosen to use.

You agree that Netwealth will regularly rebalance assets held in your managed account to holdings that Netwealth believes will, as best as is reasonably practicable, approximate your chosen Managed Models and nominated investment preferences at its absolute discretion and that such rebalances will be made by Netwealth on a frequency, at a time and at prices as determined by Netwealth.

You agree and acknowledge that at any time the assets held in your managed account may not precisely match those specified in your chosen Managed Models and that the investment performance of your investments will differ from the reported performance of the Managed Models including for the reasons outlined in this PDS.

You agree that Netwealth may suspend the rebalancing process where it believes that it is in your interests or in the interests of investors in the Managed Account to do so but that Netwealth is under no obligation to do so.

You agree and acknowledge that Netwealth has made available to you all the documents that comprise this PDS including the relevant documents incorporated by reference in it and the relevant documents taken to be included in it and you agree that you have accessed, read and understood the information contained in these documents. You agree that you will consider the continuous disclosure information for the Managed Account made available in the future by Netwealth before you make switches between and/or further investments in any Managed Models.

Where your managed account includes an investment in a managed investment scheme, you agree and acknowledge that you have been given, read and understood the product disclosure statement for that managed investment scheme. Where you have appointed your adviser as your adviser representative in relation to your platform account, you agree and acknowledge that Netwealth provides the product disclosure statement for that managed investment scheme to your adviser representative and your adviser representative receives that product disclosure statement in their capacity as your agent.

8. Fees and expenses

You agree to pay Netwealth all fees, expenses and costs from time to time payable in connection with the Managed Account as described in this PDS and/or as provided for in the constitution of the Managed Account and authorise and direct Netwealth to withdraw from your platform account an amount equal to the value of these fees, expenses and costs.

Managed Account Application form for clients of GPS Wealth Ltd



NWCLMAMAGP

Please use **BLACK** pen and **BLOCK** letters.

In this application, references to “I”, “me” and “my” include individual applicants, joint applicants and corporate applicants.

Important information about this application form

This application form accompanies the Managed Account Product Disclosure Statement (**'PDS'**) for clients of GPS Wealth Ltd (ABN 17 005 482 726) (**'GPS'**) issued by Netwealth. Clients of GPS must complete this application form in order to use the Managed Account.

This form may only be used if you have received a copy of Part 1 of the PDS, dated 30 June 2016, and the Managed Models Menu for clients of GPS Wealth Ltd which is part 2 of the PDS. These documents contain important information regarding the Managed Account which you should read.

The Managed Account is only available if you have an existing account in Super Accelerator Plus, Super Wrap, Wealth Accelerator Plus or Investment Wrap (**'Platform Account'**). Depending on which of these products you have an account in, in this form 'Platform Disclosure Document' means:

- the Product Disclosure Statement, Information Guides and any Supplementary Product Disclosure Statement for Super Accelerator;
- the Product Disclosure Statement, Information Guides and any Supplementary Product Disclosure Statement for Super Wrap;
- the IDPS Guide and Financial Services Guide, Wrap Service Guides and any Supplementary IDPS Guide for Wealth Accelerator; or
- the Important Information Booklet, Wrap Service Guides and any Supplementary Disclosure Document for Investment Wrap.

To choose your Managed Models you can complete a switch online, the investment instructions in your platform 'application' form or an 'investment instruction' form. To transfer assets into your managed account you can complete a Managed Account 'asset transfer instruction' form.

Step 1. Provide existing Netwealth account details

Client name																														
Client number (if known)							Account number (if known)																							

Step 2. Agreement, authority and direction to pay Model Fee to GPS

By signing this application, I agree that when I choose any CARE Managed Model I direct Netwealth as platform operator to pay GPS a Model Fee, calculated daily as a percentage of the value of assets that are subject to management in accordance with the relevant CARE Managed Models, using the rates set out below. This fee is payable for general financial advice that GPS provides to me. I authorise and direct Netwealth to deduct this fee from my platform account monthly in arrears, and pay it to GPS.

This is in addition to any other advice fees I authorise and direct Netwealth to pay to my nominated financial adviser or their AFS licensee.

Model	Model Fee
CARE Conservative Core Portfolio	0.247% p.a.
CARE Moderate Core Portfolio	0.247% p.a.
CARE Balanced Core Portfolio	0.247% p.a.
CARE Growth Core Portfolio	0.247% p.a.
CARE High Growth Core Portfolio	0.247% p.a.
CARE Active Portfolio	0.247% p.a.
CARE Reserves Portfolio	0.247% p.a.
CARE Enhanced Australian Equities Portfolio	0.577% p.a.
CARE Enhanced International Equities Portfolio	0.247% p.a.

Client initial

Step 3. Read and sign this declaration (continued)

For **Investment Wrap or Wealth Accelerator** all account holders or signatories must sign.

Signed by

Name

Position/title

Signature Date / /

Name

Position/title

Signature Date / /

For joint, self-managed super fund and company accounts held within the Wrap service, Netwealth will act upon instructions in relation to the Managed Account signed by the number of signatories as authorised on your Wrap service account.

The offline transaction fee will not apply to this form.

Step 4. Once complete please send to Netwealth

Email contact@netwealth.com.au

Mail Netwealth Investments Limited

Fax (03) 9655 1333

Reply Paid 336

SOUTH MELBOURNE VIC 3205

If you have any questions please contact your adviser or call us on Freecall 1800 888 223.

Client initial

A dedicated investor services line is available
for all client enquiries on 1800 888 223.



POSTAL ADDRESS

Netwealth Investments Limited
PO Box 336
SOUTH MELBOURNE VIC 3205

MA-GPS-PP1-JUN/2016 (MOT3450)