

# BWA Cash Management Trust

Because you deserve more.

IDPS Investors Product Disclosure Statement  
BWA Managed Investments Ltd  
Dated 19 December 2008  
ABN 97 108 678 397  
AFSL 276617

**BWA** Managed Investments



## Issuer and Service Provider Information

This Product Disclosure Statement (PDS) is issued by BWA Managed Investments Ltd (ABN 97 108 678 397 AFSL 276617) ("BWA Managed Investments", "we" or "us"), of BankWest Tower, 108 St Georges Terrace, Perth WA 6000, in relation to the BWA Cash Management Trust (ARSN 110 965 761) (Trust).

BWA Managed Investments is the responsible entity for the Trust and is a related company of the Bank of Western Australia Ltd. (ABN 22 050 494 454 AFSL 236872) (BankWest) and, from on or about 19 December 2008, the Commonwealth Bank of Australia (ABN 48 123 123 124 AFSL 234945) (CBA). BankWest and CBA are Authorised Deposit-Taking Institutions (ADI).

## Important Information

Any investment services provided by BWA Managed Investments through the Trust will be provided to you by BWA Managed Investments on its own account and those services will not give rise to any legal responsibilities, obligations or duties of BankWest or CBA towards you. BWA Managed Investments is not an ADI and any investment that may be made by you in the Trust, will not be a deposit with or other liability of BankWest or CBA, any of their subsidiaries or any of their related bodies corporate (other than the obligations owed by BWA Managed Investments as responsible entity of the Trust).

Investments in the Trust are subject to investment risks, including possible delays in repayment and loss of income and/or capital invested. Neither BWA Managed Investments nor BankWest nor CBA, their subsidiaries or any of their related bodies corporate stand behind or otherwise guarantee the performance of investment, the payment of income or the repayment of capital, from the Trust.

An investor's beneficial interest in the Trust is registered within a CMT account and is reflected in the form of Units. A CMT account is not a bank account or any other form of deposit with a bank.

This PDS can only be used by investors receiving it, electronically or otherwise, in Australia.

In preparing this PDS we did not take into account investors' particular investment objectives, financial situation or needs. As each investor's objectives and needs differ, investors should consider whether investing in the Trust is appropriate for them. We also recommend that investors obtain independent advice regarding their particular circumstances and the implications of investing in the Trust.

If printing an electronic copy of this PDS all pages must be printed.

If this PDS is made available to another person, they must be given the entire electronic file or print out.

## IDPS Investors

BWA Managed Investments authorises the use of this PDS as disclosure to clients or prospective clients of an Investor Directed Portfolio Service (IDPS) (including an IDPS-like scheme and a nominee or custody service).

An investment in the Trust through an IDPS is not an entitlement to a direct interest in the Trust. Consequently, the rights applicable to a direct investor are not available other than to the operator or custodian of the IDPS.

Other features of the Trust – for example, transacting, income distributions, reporting, cooling-off, reporting, fees and rights under the Trust Constitution – do not apply directly to IDPS investors.

IDPS investors should contact their adviser or IDPS operator should they have queries.

## BWA Cash Management Trust – Significant Benefit and Features

|  |   |
|--|---|
| Nature of the Investment                         | On investment ordinary fully paid Units in the Trust are acquired. The Trust is a managed investment scheme registered under the Corporations Act |
| Objective of the Trust                           | The principal aim of the Trust is to provide an 'at call' investment with competitive returns and with a low management fee                       |
| Security   | Funds are held on deposit with BankWest, which has a Standard & Poor's Issuer Credit Rating of "AA/A-1+"  |
| Unit Price <sup>1</sup>                          | \$1.00  |
| Expected Net Rate of Return                      | The official cash rate set by the Reserve Bank of Australia (RBA) less the management costs. The actual return may vary from the RBA cash rate.   |
| Access   | At call   |
| Fees   | Refer Fees and Other Costs (page 3)   |
| Management Costs <sup>2</sup> (inclusive of GST) | 0.02% pa  |
| Income Distributions                             | Accrued daily and paid monthly in arrears   |

<sup>1</sup> While the withdrawal price is \$1.00 per Unit, the amount payable is subject to Return of Capital risk. See below.

<sup>2</sup> Management Costs do not include any extraordinary expenses that may be incurred such as where we hold a meeting of CMT account holders, move the Trust assets to another ADI or inform investors of a material event affecting the Trust. Further they do not include fees and costs charged in your IDPS.

### Significant Risks

BWA Managed Investments aims to minimise the risk of investment by acting in investors' best interests and monitoring the Trust and its performance on a regular basis. However, all investments carry a degree of risk.

The significant risks of investing in the Trust are:

**Return of Capital** – although we believe there is a low risk of capital loss, repayment of capital invested in the Trust is not guaranteed and is dependent on the ADI with which Trust assets are held and its capacity to repay in part or in full. Under the terms of the Constitution, BWA Managed Investments can make a provision in respect of any negative income or capital loss. This means CMT account holders may not get back all of the money they invest in the Trust.

BWA Managed Investments may also suspend withdrawals until the amount of any negative income or capital loss is determined and at any other times that it considers it to be in the best interest of CMT account holders.

**Market Risk** – the return on investment in a CMT account is directly affected by changes to the official cash rate, as determined by the RBA. Factors that may affect the official cash rate include Australian and overseas interest rates, the economic, legislative and political environment, exchange rates and market liquidity.

**Trust Risk** – risks particular to the Trust include the possibility of termination, replacement of BWA Managed Investments as the responsible entity and changes to fees and costs.

### The BWA Cash Management Trust

BWA Managed Investments is the responsible entity of the BWA Cash Management Trust.

In its capacity as responsible entity of the Trust, BWA Managed Investments will be responsible for:

- investing and managing the Trust;
- custody of the assets of the Trust; and
- ensuring the Trust and its assets are managed and administered in accordance with requirements imposed by the Trust Constitution, this PDS and the Corporations Act.

On investment, an investor acquires ordinary fully paid Units in the Trust. For each dollar invested one Unit is acquired and, for each dollar withdrawn, one Unit is redeemed<sup>3</sup>.

### Trust Investment Objective and Strategy

The Trust aims to provide an 'at call' investment with competitive returns (before fees and costs), equivalent to the official cash rate set by the RBA. BWA Managed Investments seeks to achieve this objective by investing funds with BankWest, by way of deposit.

BankWest is an ADI and subject to regulation by the Australian Prudential Regulation Authority. Deposits made by the Trust with BankWest will be treated by BankWest as a bank deposit and will carry the same level of protection for the Trust, afforded under the Banking Act 1959, as other bank deposits.

While BankWest has a Standard & Poor's Issuer Credit Rating of "AA/A-1+", the Trust itself has not been assigned a rating by Standard & Poor's. However, in the event that BankWest's long-term rating falls below 'BBB', BWA Managed Investments is required under the Trust's Constitution to transfer the assets of the Trust to another Australian ADI which has a long-term Standard & Poor's rating of 'BBB' or better.

### Labour Standards, Environmental, Social or Ethical Considerations

Labour standards, environmental, social or ethical considerations are not taken into account in the selection, retention or realisation of the Trust's investments.

<sup>3</sup> Subject to Return on Capital. Refer Significant Risks.

## Trust Performance

The funds of each Unit holder are pooled and invested with BankWest. The Trust has achieved competitive historical returns to the Unitholder as detailed below.

| As at 30/06/2008*              | 1 Year | 2 Years | 3 Years |
|--------------------------------|--------|---------|---------|
| Total Return after Fees (p.a.) | 7.01%  | 6.65%   | 6.32%   |

Returns are net of Management Costs and assumes that the income distributions are reinvested monthly and is prior to tax that may be payable. Past performance is not necessarily a guide to future performance. For up to date performance information, please contact us on 1300 663 117.

For IDPS investors, the net performance of their investment in the Trust may be different from the information we publish, due to cash flows specific to their IDPS and any fees charged by the IDPS operator.

\* The Trust was established in September 2004.

## Income Distributions

Income entitlements are calculated daily and are payable monthly in arrears on the last business day of each month. Income entitlements for any day following the second last business day of a month will be included in the entitlement for the next month except where a non-business day falls between the second last business day and the last business day in which case the income entitlement will be calculated from the last business day. Any income distributions are automatically reinvested through the issue of additional Units in the Trust.

## Investments in the Trust

To invest in the BWA Cash Management Trust through an IDPS, simply complete the documents which the IDPS operator requires. These may relate to an initial or additional investments.

Any enquiries regarding investing in the BWA Cash Management Trust or making additional investments should be directed to the IDPS operator.

## Cooling off period

Persons investing through an IDPS should consult the IDPS operator in relation to cooling off rights that may apply to their investment in the IDPS (if any).

## Withdrawals from the Trust

If a withdrawal request of units in the Trust is received from an IDPS operator by 11.00am WST on a business day, it will normally be paid to the IDPS operator on the same day. Withdrawal requests received after this time will be paid on the following business day.

Your withdrawal request will also be governed by your arrangement with the IDPS operator.

## Monitoring Investments, Reports and Continuous Disclosure

### Transactions, Periodic Statements and Annual Report

We will provide periodic reports (such as transaction confirmations, income distributions and annual report) to the operator of the IDPS.

The operator of the IDPS is responsible for reporting to IDPS investors on their investments in the IDPS in accordance with the arrangements governing the IDPS. We do not provide reports directly to IDPS investors.

### Continuous Disclosure Documents

The Trust is subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents lodged with ASIC in relation to the Trust may be obtained from or inspected at an ASIC office. Copies of the following documents may also be obtained free of charge by contacting your IDPS operator:

- the annual financial report most recently lodged with ASIC by the Trust;
- any half year financial report lodged with ASIC by the Trust after the lodgement of that annual financial report and before the date of this PDS; and
- any continuous disclosure notices given by the Trust after lodgement of that annual financial report and before the date of this PDS.

### Changes to this PDS

The information and terms and conditions in this PDS are up to date at the time of its preparation. Subject to the Trust Constitution and the law, we reserve the right to:

- change the information and terms and conditions contained within this PDS;
- withdraw the offer to subscribe for Units in the Trust; and
- withdraw this PDS.

Should we make any changes to this PDS that are material in nature we will advise the operator of the IDPS of the changes.

## 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 fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services, justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### To Find Out More

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This section of the PDS shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Trust assets as a whole. Taxes are detailed in 'Taxation Considerations' on page 4.

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

| Type of Fee or Cost  | Amount   | How and When Paid   |
|--|--|---|
| <b>Fees when money moves in or out of the Trust</b>  |  |   |
| <i>Establishment fee:</i> The fee to open your investment.   | Nil  | Not applicable  |
| <i>Contribution Fee:</i> The fee on each amount contributed to your investment – either by you or your employer. | Nil  | Not applicable  |
| <i>Withdrawal Fee:</i> The fee on each amount you take out of your investment.                                   | Nil  | Not applicable  |
| <i>Termination fee:</i> The fee to close an investment in the Trust.   | Nil  | Not applicable  |
| <b>Management Costs*</b>   |  |   |
| The fees and costs for managing your investments   | A fee of 0.02% p.a. (inclusive of GST) comprising of management fees, administration costs, auditing fees, account fees, registry fees, distribution costs and other ordinary expenses.<br><br>Extraordinary expenses may also be incurred such as where we hold a meeting of CMT account holders, move the Trust assets to another ADI or inform you of a material event affecting the Trust. | Accrued daily and deducted from the income of the Trust monthly in arrears or when you close your CMT.<br><br>The amount of this fee can be negotiated (see 'Wholesale Client Fees' on page 4).<br><br>Extraordinary expenses are payable out of the Trust when incurred by BWA Managed Investments and will be deducted from the income of the Trust as and when determined by us. |
| <b>Service Fees</b>  |  |   |
| <i>Investment switching fee:</i> The fee for changing investment options.  | Nil  | Not applicable  |

\* Management costs are shown gross of income tax (inclusive of GST), but net of any applicable reduced input tax credit.

## Example of Annual Fees and Costs

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

| Example                         | Balance of \$50,000 with a contribution of \$5,000 during the year |   |
|---------------------------------|--|---|
| Contribution Fees               | Nil  | For every additional \$5,000 you put in, you will be (charged \$0).   |
| <b>Plus</b> – Management Costs* | 0.02%  | <b>AND</b> for every \$50,000 you have in the Trust you will be charged \$10 each year.   |
| <b>Equals</b><br>Cost of Trust  |  | 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 from \$10 to \$11.<br><br><b>What it costs you will depend on the fees you negotiate with your fund and/or your adviser.</b> |

\* Management costs do not include any extraordinary expenses that may be incurred such as where we hold a meeting of CMT account holders, move the Trust assets to another ADI or inform you of a material event affecting the Trust.

## Example of How the Fees and Expenses Affect Your Return

The table below gives an example of how fees and costs can affect your return and is based on \$50,000 average balance for one year.

|   |            |         |
|---|------------|---------|
| Gross Return                            | 7.25% p.a  | \$3,625 |
| Estimated Management Costs              | 0.02% p.a. | \$10    |
| Net Return (distributed to the account) | 7.23% p.a. | \$3,615 |

This is an illustrative sample only. The Net Return is not a forecast or an indication of likely future returns. The figure shown is an illustration and may vary from the CMT account holder's actual return.

## Additional Explanation of Fees and Costs

### IDPS Fees and costs

As an IDPS investor, you may be subject to additional fees and costs in your IDPS. These fees and costs will be outlined in the offer document of your IDPS operator.

### Management Costs

The management costs are the aggregate of the Trust's management fees and ordinary expense recovery as a proportion of the size of the Trust. They do not include extraordinary expenses. The management costs accrue daily and are deducted monthly from the Trust's income before it is distributed, or when a CMT account is closed.

### Wholesale Client Fees

At our sole discretion, we may negotiate, rebate or waive any of the fees or expenses described above for wholesale clients (as defined in the Corporations Act).

### Maximum Fees and Costs

BWA Managed Investments is able to charge a maximum management fee of 1.00% p.a. and is entitled to recover out of the Trust various expenses incurred. Extraordinary expenses may also be incurred. In this case the management costs of 0.02% p.a. may be increased by the amount of those expenses.

### Other Fees

BWA Managed Investments may also receive additional fees from BankWest where Trust assets are invested with BankWest. BWA Managed Investments is entitled to retain

these fees for its own benefit and may use them in any way it deems appropriate.

### Changes to Fees and Other Costs

We may, at our discretion and in accordance with the Trust Constitution, change any fees or other costs described in this PDS. Should we decide to increase any fees or other costs we will notify the operator of the IDPS at least 30 days prior notice of the change in writing or via another acceptable method in accordance with the Corporations Act.

## Taxation Considerations

Any investment can have a substantial impact on your tax position from year to year. The following information is a general summary of current Australian taxation legislation. We recommend that before you invest or deal with your investment, you obtain professional advice regarding your position as tax and social security laws are complex and subject to change, and are particular to your individual circumstances.

### Income Tax

#### Taxation of Australian Residents

The Trust will generally not be liable for income tax as it is intended that all income is distributed to investors. Instead, you will generally have to pay tax on your income distributions each year.

If you are an Australian resident, you must include the income distributed to you, including where it is reinvested, in your taxable income for the year.

### Goods and Services Tax (GST)

The Trust is registered for GST.

GST is not payable on the issue, withdrawal or transfer of Units in the Trust, as these are input taxed financial supplies for GST purposes.

GST will, however, generally be incurred as part of the cost of various acquisitions made by the Trust, including the management services supplied by the responsible entity. In specified circumstances, the Trust may be entitled to reduced input tax credits of 75% of GST paid, which effectively reduces the GST payable from 10% to 2.5%.

## Social Security

The Trust is classified by Centrelink and the Department of Veterans' Affairs (DVA) as a financial investment, which means it is subject to both the Income and Assets Tests. It should be noted that the social security treatment of the Trust is subject to Government policy, which is constantly under review. Accordingly, you should consult with Centrelink or DVA as to the social security implications applicable to you.

## Dispute Resolution and Privacy

### Complaints and Dispute Resolution

You should consult the IDPS operator if you have a complaint about your investment. If any of your issues remain unresolved, you may contact the complaints scheme of which the IDPS operator is a member.

### Privacy

As you are investing through an IDPS, we will not receive or hold any personal information about you.

## Other Important Information

### The Trust Constitution

This Trust is governed by a Constitution that details the rights and obligations of BWA Managed Investments and investors. Significant terms relating to investments in the Trust are contained in this PDS.

### Retirement of BWA Managed Investments

BWA Managed Investments may retire as the responsible entity of the Trust at any time of its choosing or if required to do so by law, at which time it will be released from all future liabilities and obligations of the Trust.

### CMT Account Holder Rights

A CMT account holder, holds Units in the Trust and is entitled to a beneficial interest in the Trust and is also entitled to attend and vote at any meetings of the Trust. A CMT account holder will not be entitled to any assets or investments of the Trust, nor will they be entitled to participate in the management of the Trust.

### CMT Account Holder Liability

The Trust Constitution provides for a CMT account holder's liability, as a Unit holder, to be limited to their investment, together with any taxes, fees and other costs payable that are not paid out of assets of the Trust. However, CMT account holders should be aware that the effectiveness of clauses limiting the Unit holder's liability is yet to be determined by the courts.

## Compliance Plan

We have lodged the Trust's Compliance Plan with ASIC. The Trust's Compliance Plan sets out how we will ensure compliance with both the Corporations Act and the Trust's Constitution.

## Consents

BankWest, CBA and Standard and Poor's have given and have not withdrawn their consent to be named in this PDS and to the statements about them, in the form and context in which they appear.

Ratings are statements of opinion, not statements of fact or recommendations to buy, hold or sell any securities. Ratings may be changed, withdrawn or suspended at any time.

The ratings contained in this document have been assigned without taking into account any recipients objectives, financial situation or needs. Before acting on any rating you should consider the appropriateness of the rating having regard to your own objectives, financial situation and needs.

In Australia, credit ratings are assigned by Standard & Poor's (Australia) Pty Limited, which does not hold an Australian financial services license under the Corporations Act 2001 for the provision of credit ratings.

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