

1 July 2019

James Sample
5 Residential Street
Melbourne VIC 3000

netwealth Investments Ltd
ABN 85 090 569 109
AFSL 230975
Level 8/52 Collins Street
Melbourne VIC 3000
PO Box 336
South Melbourne VIC 3205

Netwealth Wrap Service

Notification of changes to Netwealth Wealth Accelerator/Investment Wrap

We are writing to tell you that new disclosure documents have been issued for Netwealth Wealth Accelerator/Investment Wrap.

As one of Australia's leading super and investment platforms¹ we continue to develop and enhance the services provided to our clients. As a result, there are some important changes to your Wealth Accelerator/Investment Wrap account within the new disclosure documents which you should be aware of. These are outlined on the following pages.

The full details of these changes are in the new disclosure documents available via our website or by contacting us on 1800 888 223.

More information

For more information regarding these changes please contact Investor Services on 1800 888 223 or email contact@netwealth.com.au.

Thank you for using Netwealth.

Your Details

Account name
SAMPLE

Client number
SAMPLE

Account number
SAMPLE

Adviser Details

Adviser name
SAMPLE

Phone number
SAMPLE

¹ Winner, award for 'Best Platform Overall', Investment Trends Platform Benchmarking & Competitive Analysis Report, years 2015 to 2018.

For more information

 1800 888 223

 contact@netwealth.com.au

 netwealth.com.au

Key changes to the way you use the products

Below is a summary of the key changes in the new disclosure documents¹ which may impact the way you use Netwealth's products. You should obtain and read the disclosure documents for the full details. The disclosure documents are available from the 'Forms and documents' section on our website.

Communications via SMS

From time to time it will be necessary for us to confirm certain transactions or changes to your account with you. For your convenience we have introduced confirmation messages sent to your mobile phone. We may seek your authority or confirmation of certain transactions using SMS mobile phone messages, and you may be asked to provide your mobile phone number for use in relation to these transactions.

Additional services and fees

We have introduced some new services, and if you decide to use them an additional transaction fee may apply at that time. The following fees will apply from **22 August 2019**. These transaction fees will only apply if you choose to use the relevant transactions or services.

Type of transaction cost	Description
Real Time Gross Settlement ('RTGS') fee	You may ask us to pay withdrawal proceeds to one of your nominated bank accounts on the same day using RTGS. A \$50.00 fee is charged to your account when you instruct us to pay withdrawal proceeds using RTGS.
International payments fee	You may ask us to pay withdrawals to an overseas bank account. A \$50.00 fee is charged to your account when you instruct us to pay withdrawal proceeds to an international bank account.
Class action participation and payment fees	From time to time there may be the opportunity for us to participate in a class action on your behalf in relation to an investment held on your account. Should you elect to participate in a class action, a \$50.00 fee is charged to your account. If the class action is successful and results in a payment to your account, an additional fee of up to \$30.00 per class action is charged to your account.
Cost base reconstruction fee	If we are required to reconstruct a CGT parcel history for an in-specie transfer, a \$20.00 fee per parcel will be deducted from your cash account at the time of reconstruction.
International securities – brokerage fee on trades through our nominated broker	When trading in international securities you may instruct us to implement the trade through our nominated broker. A fee for brokerage services equal to 0.20% of the trade value (with a minimum of \$38.50 per trade) is charged to your account when you purchase or sell international securities through our nominated broker. You will not be charged separate brokerage by our nominated broker. Alternatively, you may continue to use the current arrangements and instruct us to settle international securities trades conducted through an approved external broker. That is, a \$25.00 settlement fee will be charged by Netwealth and a brokerage fee will be paid to the broker at the rate you agreed with them.
International securities – currency conversion fees and costs	We have changed the way we convert currencies on international securities trades to provide you with greater clarity of the fees and exchange rates associated with international trading. When you instruct us to convert currency within your account, a margin of up to 0.45% may be applied to the prevailing spot price available in wholesale/inter-bank foreign exchange markets. We retain this margin, less any margin we pay to third parties to complete this conversion, as a fee.
Unregistered scheme fee for Wholesale Clients	We may make additional investment options available for clients who qualify as Wholesale Clients. This may include investment in products or funds that are not registered with ASIC. Where you are a Wholesale Client and you invest in an unregistered scheme, a fee of \$45.00 p.a. per investment is charged to your account following the end of the financial year to which it relates. The fee is applied for each unregistered scheme investment you hold or held in your account during the applicable financial year.

¹ The disclosure documents are the IDPS Guide for Wealth Accelerator and Important Information booklet for Investment Wrap and incorporated documents.

The Managed Account

If you are using or choose to use our Managed Account, we are changing the way we provide you access to Managed Models for an easier to use and more efficient service.

From 1 July 2019, the Netwealth Managed Account ('NMA') will be closed to new investors and replaced by the Netwealth Managed Account Service ('NMAS'). The disclosure documents issued on 1 July 2019 refer to the new Netwealth Managed Account Service. Below is a summary of what this means for you:

- If you currently have investments in Managed Models
 - There is no change to your investments and you can continue to make additional investments in the Managed Models you already hold.
 - You have the option to transfer your Managed Models to NMAS. We will tell you and your adviser more about the option to transfer over the coming months.
- If you do not have investments in Managed Models before 1 July 2019, you will now have access to Managed Models through NMAS. To select Managed Models use our online trading functionality. Before doing so you should obtain and read the NMAS PDS which is available on our website.

New external complaints body

Due to regulatory changes the Financial Ombudsman Service has been replaced with the Australian Financial Complaints Authority ('AFCA'). If you have a complaint about our service and it has not been satisfactorily dealt with, you may be able to refer your complaint to AFCA free of charge.

Delisted securities

We have implemented a new process for dealing with direct shares which have become delisted. Where you have an investment in a share and we are notified that a company has voluntarily chosen to be delisted from the ASX, we will provide you notice and give you the option to either sell or transfer the holding to your name. If we receive no instructions, we will sell the holding on the last day of trading.

Other changes included in the new Disclosure Documents

Product updates

Netwealth provides new and improved functionality on an ongoing basis to ensure we continue to meet the needs of our clients. Ongoing changes to the product are published in the '**Product Disclosure Updates**' section on our website.

The following enhancements and changes have previously been updated on our website and are now incorporated in the new disclosure documents:

- Introduction of the 'pay anyone' facility
- Ability to nominate multiple bank accounts for payments and withdrawals
- The addition of selected Managed Models to Wealth Accelerator Core
- Managed Models are now available to be nominated as part of your auto sell-down profile
- Introduction of 'cash settings' functionality to provide greater flexibility in managing and investing from your cash account
- Increased frequency of the payment of family fee rebates
- Restrictions on investment by European residents as a result of European privacy laws.

Changes to the way we present our Investment Menu

The Accessible Managed Funds Menu has been replaced with a new '**Investment Menu**'. Information about each of the investment options available in Wealth Accelerator and Investment Wrap is contained in the Investment Menu in the '**Forms and documents**' section of our website, -or- free-of-charge upon request by contacting us.

Consolidation of the disclosure documents

We have consolidated the Netwealth Wrap Service Guides as summarised below:

- Wrap Service Guide 1a and Wrap Service Guide 2 to Wrap Service Guide 5 have been consolidated into a guide called '**Wrap Service Guide 1a: Operating your Wealth Accelerator account**'.
- Wrap Service Guide 1b and Wrap Service Guide 2 to Wrap Service Guide 5 have been consolidated into a guide called '**Wrap Service Guide 1b: Operating your Investment Wrap account**'.

There is a new Wrap Service Guide '**Wrap Service Guide 2: Wholesale Client Information Guide**'. This provides more information on available investments and features if you are an investor who qualifies as a Wholesale Client.