Asgard

Frequently Asked Questions

Fixed Term Deposits on eWRAP

1. What features and benefits do the Fixed Term Deposits (FTDs) on eWRAP offer?

Offered by:	St.George Retail Bank		
Issued	Fortnightly		
Terms	3, 6 and 12 months		
Interest payments	**Term**	**Interest monthly**	**Interest at maturity**
	3 months	✘	✔
	6 months	✘	✔
	12 months	✔	✘
Minimum investment amount	No minimum		
Maximum investment amount	eWRAP Investment and Super - no limit eWRAP Pension - 70% of the value of the account (including funds in the Cash Account)		
Withdrawals prior to maturity	Not allowed		

2. On what eWRAP products are the FTDs available?

FTDs are available for investment through the following eWRAP products:

- eWRAP Investment
- eWRAP Super
- eWRAP Allocated Pension
- eWRAP Term Allocated Pension

3. Why is there a 70% limit imposed for FTD investments on pension products?

FTDs are considered illiquid investments as they cannot be redeemed before maturity. The 70% limit for pension products is in place to ensure sufficient liquid investments are available in your client's account to fund regular pension payments.

It is important to note that if there are insufficient liquid investments to fund pension payments, your client's Cash Account may go into negative and interest will be charged on the negative amount.

4. How frequently are FTDs issued?

New FTDs generally commence every two weeks.

Details of the interest rates applying to the FTDs are generally published two weeks prior to the FTD commencement date. The FTDs are open for investment during this two-week (collection) period.

For details about the FTD commencement dates and interest rates, please refer to the Interest Rates page on AdviserNET (see question 12)

5. How do I invest in an FTD on behalf of my client?

Investing in an FTD is as easy as investing in a managed investment. Buy instructions for FTDs can be created on AdviserNET at **Transact Online > Select Client > Buy Investments**.

Each FTD is generally open for investment for two weeks - from approximately 4pm EST on Monday (or Tuesday) to 5pm EST on the following Friday week (one business day prior to the commencement date)*. At this time, the FTD on offer will become a 'frozen' asset.

If you wish to invest in an FTD, you must submit your buy instruction on AdviserNET during this two-week period.

* The cut-off day (the last day of the FTD collection period) may fall on a Monday if Friday coincides with the last business day of the month.

For example:

Monday 2 February	• Interest rate for 12-month FTD commencing on 16 February 2009 is declared by St.George Bank. • Collection/offer period starts.
Friday 13 February	• Collection/offer period ends. • Advisers have until 5pm EST to submit their buy instructions for the FTD.
Monday 16 February	• Commencement date of the TD.

It is important to note that offer periods may not always start on Mondays due to public holidays in different states or other circumstances. It is best to check the Interest Rates pages on AdviserNET for the closing/commencement date of each offer.

6. What happens to funds deposited into FTDs prior to the commencement date?

Funds invested in FTDs prior to the commencement date are placed into an at-call (collection) account. The interest earned on this collection account (generally equivalent to the RBA cash rate less 20bps) is passed onto investors.

At the commencement date, the balance held in the at-call account is automatically transferred into the FTD.

7. Can I include FTDs in a template?

FTDs should not be included in a template because each FTD issued on eWRAP is only available for investment for a two week period. At the end of the two weeks, the asset status for the FTD changes from 'open' to 'frozen'. If the FTD is included in a template, the template will become invalid at the time we freeze the FTD.

8. Can an FTD buy instruction be cancelled prior to the commencement date?

FTD buy instructions with the status of 'Waiting for Cash' can be cancelled prior to commencement date (via the **Work in Progress > What have I completed?** screen of AdviserNET). Once the FTD buy instruction has been processed (ie your client's funds have been transferred from their Cash Account to the at-call collection account) it cannot then be cancelled.

9. Can I sell out of an FTD prior to commencement date?

Yes, once the buy instruction has been filled, you can place a sell instruction for that FTD. Your sell instruction must be submitted at least 2 business days prior to the commencement date.

10. How and when is interest paid?

Interest from the FTD is payable from the commencement date. For FTDs that pay interest monthly, the interest is paid monthly by St.George to Asgard as illustrated by the following example.

Monday 16 February	Commencement of the FTD (referred to in question 5)
Monday 16 March	St.George pays interest to Asgard
Tuesday 17 March – Monday 23 March	Interest from the FTD is deposited into your client's Cash Account

For FTDs that pay interest at maturity, only one interest payment is made. This interest payment, is paid to investors after the FTD matures.

Interest payments, whether monthly or at maturity, along with the original investments in the FTDs, are generally allocated to your clients' Cash Accounts within five business days after Asgard receives them from St.George.

Interest from the collection account

Interest from the collection account is paid separately from the interest on the FTD. It is generally paid at the beginning of the month for interest earned for the previous month (regardless of whether your client is invested in an FTD that pays interest monthly or at maturity).

For example, the interest earned on monies retained in the collection account between 2 and 13 February is paid into the client's Cash Account at the beginning of March.

Should the two-week collection period (prior to the FTD commencement date) extend beyond a month, your clients will receive the interest earned on the collection account in two batches.

For example:

Monday 23 February – Sunday 8 March	Collection period (during which time the monies invested in the FTD sit in the collection account).
Early March	Interest earned between 23 and 28 February from the collection account is deposited into the client's Cash Account.
Monday 9 March	FTD commencement date.

Early April	Interest earned between 1 and 8 March from the collection account is deposited into the client's Cash Account.

11. Can interest payments be reinvested back into the FTD?

Interest can only be deposited into your clients' Cash Accounts. We are not able to reinvest it back into the FTD that made the interest payment (for FTDs that pay interest monthly) or into a new FTD.

12. Where can I find information about the interest rate and the commencement/closing dates for the FTDs?

You can find the current FTD interest rates and the applicable commencement/closing dates on AdviserNET at:

- **> Product Information > eWRAP Investment > Interest Rates**
- **> Product Information > eWRAP Super > Interest Rates**
- **> Product Information > eWRAP Pension > Interest Rates**
- **> Product Information > eWRAP Term Pension> Interest Rates**

The standard rates are the actual rates at which interest is paid.

13. What happens to the FTD at maturity?

At maturity, the proceeds from the FTD (including the interest payment) are generally allocated to your clients' Cash Accounts within 5 business days after Asgard receives them from St. George during which time, no interest is earned.

The proceeds will remain in the Cash Account until we receive further investment instructions from you unless you have the following automatic features set up on your clients' eWRAP accounts.

- Auto-invest excess cash
- Auto-rebalance with the Cash Account included

14. Will my client and I be notified when their FTD is about to mature?

Yes. Your client will receive a maturity letter from us approximately one week prior to their FTD maturing. A copy of this communication will also be mailed to you. This maturity letter will serve as a reminder that the proceeds of the FTD are about to become available for investment.

15. At maturity, can I automatically rollover my clients' funds into a new FTD?

No. At maturity, proceeds from the FTD are automatically paid into the Cash Account.

Once the proceeds from the FTD are deposited into the Cash Account, you can then choose to submit a buy instruction on AdviserNET for a new FTD to create a 'rollover' effect.

16. My client has hit financial hardship and wishes to redeem their investment in the FTD. How do I initiate the sell down of this asset?

FTDs cannot be redeemed before the maturity date. There are no forfeitures, partial withdrawals or breakages possible.

17. I would like to close my client's eWRAP account. Can I do this while my client is invested in an FTD?

You can initiate the closure of your client's eWRAP account, however the final benefit will not be paid until the FTD matures.

18. Can FTDs be transferred from eWRAP Super to eWRAP Pension prior to maturity?

Yes. Investors can transfer from existing eWRAP Super accounts to new eWRAP Pension accounts prior to the FTDs maturing.

Please note, it is your responsibility to ensure that upon transferring from eWRAP Super to eWRAP Pension, sufficient liquid investments are available in your client's new eWRAP Pension account to fund pension payments, fees and other costs associated with the management of the account.

It is important to note that if there are insufficient liquid investments to fund regular pension payments your client's Cash Account may go into negative and interest will be charged on the negative amount.

19. Does the administration fee apply to FTDs?

Yes, as the FTDs are held through client accounts just like managed investments. Hence, the administration fee is payable on the amount invested in FTDs.

20. Is adviser commission payable on FTDs?

Yes. Applicable upfront and monthly adviser commissions apply.

21. Do investment fees or buy/sell differential charges apply to FTDs?

No. Investment fees and buy/sell differentials are not charged on the FTDs offered on the eWRAP platforms.

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22. Where can I find more information on FTDs?

The St.George Fixed Term Account Product Disclosure Statement is available on AdviserNET at **Product Information > eWRAP Investment / Super / Pension/ Term Pension > Disclosure Documents**.

We also encourage you to read the 'Managed investments with extended redemption periods' flyer on AdviserNET at **Product Information / eWRAP Super / Pension / Term Pension > About the Account** that contains important information about illiquid investments, which includes the FTDs.

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