

## DEDICATED HEALTH SAVINGS ACCOUNT

Product Disclosure Statement Xtras Health Plan Savings Scheme Trading as Your Health Wallet

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## XTRAS HEALTH PLAN SAVINGS SCHEME

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### Contents

1.	ABOUT XTRAS HEALTH PLAN LTD.....	1
2.	HOW THE SCHEME WORKS.....	2
3.	BENEFITS OF INVESTING IN THE SCHEME .....	3
4.	RISKS OF MANAGED INVESTMENT SCHEMES .....	4
5.	HOW WE INVEST YOUR MONEY.....	5
6.	FEES AND COSTS OF THE SCHEME .....	5
7.	HOW MANAGED INVESTMENT SCHEMES ARE TAXED .....	7
8.	HOW TO APPLY FOR MEMBERSHIP OF THE SCHEME.....	7

### IMPORTANT INFORMATION

This Product Disclosure Statement ('PDS') is issued by Xtras Health Plan Pty Ltd ('Responsible Entity', 'we', 'us', 'our') and is a summary of significant information about the Xtras Health Plan Savings (Scheme') trading as Your Health Wallet.

However, the information in this PDS is general information only and does not take into account your personal financial situation or needs. Before investing, you should obtain financial advice tailored to your personal circumstances.

An investment in the Scheme is an investment in a registered managed investment scheme. An investment in the Scheme is not a bank deposit, bank security or other bank liability. There is no guarantee of the repayment of capital from the Scheme or the investment performance of the Scheme.

The Offer under this PDS is available to persons receiving the PDS within Australia only. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. This PDS does not constitute an offer to any person to whom, or in any place in which, it would be illegal to make that offer.

### UPDATED INFORMATION

Information in this PDS is subject to change from time to time. Information that is not materially adverse can be updated by us. Updated information can be obtained by going to our website at [yourhealthwallet.com](http://yourhealthwallet.com) or through the membership portal. Alternatively, a paper copy can be obtained, free of charge, upon request by contacting us.

## ABOUT XTRAS HEALTH PLAN LTD

Xtras Health Plan Pty Ltd ('Responsible Entity', 'we', 'us', 'our') is the Responsible Entity for the Xtras Health Plan Savings (Scheme) trading as Your Health Wallet. As Responsible Entity, we are responsible for overseeing the operations of the Scheme as well as selecting and managing the assets (i.e. basic deposit products) within the Scheme.

## HOW THE SCHEME WORKS

You should read the important additional information about 'How Your Health Wallet works contained in the Reference Guide before making a decision. Go to [yourhealthwallet.com/Reference-Guide/](http://yourhealthwallet.com/Reference-Guide/). This information may change between the time when you read this PDS and the day when you complete the application form to become a member.

## WHAT DOES THE SCHEME INVEST IN?

The Scheme is a registered managed investment Scheme which intends to provide an alternative to "general treatment cover" or as referred to herein as "extras" only health insurance. It does this by enabling Scheme members to regularly contribute funds into their account which will be pooled with other member's funds and invested in basic deposit products which are held by the Scheme's Custodian.

The balance of the contributions made by a member is referred to as Available Now. This amount is available to the member to spend on their health needs. When the Available Now dips to \$50, the member will be sent a notification to top up, if such contributions are not made to increase their account balance, the account will proceed to cancellation after 14 calendar days.

The Available Now amount can be used by a member in conjunction with extras only or combined health insurance to cover gaps that arise in extras health cover, general practitioner visits, hospital treatment gaps and other (out of pocket expenses not covered by Medicare Australia).

Members can submit complying invoices from health providers to be paid by the Scheme on their behalf from their members' account. The health provider must be registered with AHPRA (Australian Health Practitioner Regulation Agency) or has otherwise been verified and approved by Your Health Wallet as complying health service provider.

A complying invoice must have the details of the approved general treatment including the details of the provider. Payment of complying invoices will only be paid into Australian bank accounts of health providers registered with Your Health Wallet. Health invoices from non-registered health providers must be submitted for claim by the member via the members portal. Complying invoice amounts will be paid to the members nominated bank account, the member must allow for three additional business days for verification checks to be completed. Invoices submitted by the member for non-registered providers will attract an invoice processing fee of 10% capped at \$10.

## APPLYING FOR MEMBERSHIP

Members acquire an interest in the Scheme when they become a member, as set out below. A member will have a beneficial interest in the Scheme which is proportionate to their contribution to the Scheme. However, it does not give the member an interest in any particular asset of the Scheme. The value of a member's interest will also vary as the market value of the assets of the Scheme rises or falls.

You can become a member by following the process set out in section 8 of this PDS. The minimum contribution amount for the Scheme is a subscription of \$5 per day (approximately \$1,825 annually) for retail clients and \$1,645 per day (approximately \$600,000 annually) for wholesale clients, payable either weekly, monthly, quarterly, half yearly or annually, at the member's discretion. Please see the 'Additional information' section contained in the Reference Guide for more information about what it means to be a wholesale investor.

## CHANGING YOUR CONTRIBUTIONS

You can change how much you contribute at any time through the membership portal provided that it is above the minimum contribution amount.

## SUSPENDING YOUR CONTRIBUTIONS

After you have been a member for at least six months, you may suspend your contributions for up to three years. However, a suspension fee applies. Platform fee is still payable while your account is suspended. Please see section 6 for more information.

## INTEREST DISTRIBUTIONS

Distributions are calculated on the last working day of each calendar month. The amount of the distributions for the Scheme is calculated by accumulating any interest earned by the Scheme for the period and then deducting all expense incurred and any

provisions that are considered appropriate by us. The amount to be distributed is then divided in proportion to each member's interest in the Scheme and credited to members' accounts within 5 business days from the end of each calendar month.

### **Average Account Minimum Balance**

At the anniversary of the membership, \$100 is held in lien as minimum account balance and does not reflect in the account balance available to the member.

### **WITHDRAWALS**

You can withdraw up to 25% of your investment per annum through the membership portal, although a withdrawal fee will apply. Please see section 6 of this PDS for more information about fees. You will not be able to make any withdrawals during the first 12 months of your membership, and after that withdrawals will be capped at 25% of your investment amount per annum (which is reset each financial year).

Where we receive and process a withdrawal request by 2pm (AEST) on a business day, the proceeds of that request will generally be paid within 5 business days but may take longer in some circumstances (up to 21 days). We will not process a withdrawal request until we have been provided with the information requested by us through the membership portal.

### **CANCELLATION OF MEMBERSHIP**

Your membership may be cancelled.

1. by you directly through the member portal.
2. by us, if your contribution amount is less than the minimum contribution amount and is not rectified within 14 days.
3. by either party if required to comply with orders of a Federal, State or Territory court, a regulatory body or such other relevant authority; or
4. by either party for wilful breach of the membership policy or a security breach.

We will then prepare your final statement of account, deduct the relevant cancellation fee and pay the remaining amount to your nominated bank account. Please see section 6 for further details regarding fees and costs.

### **ACCESS TO FUNDS**

We may suspend new memberships or withdrawals by members in certain circumstances set out in the Constitution including where we consider that it is desirable for the protection of the Scheme, or in the best interests of members during certain emergency situations where it is not reasonably practicable for us to do so. In some circumstances (including, but not limited to, a suspension of withdrawals) you may not be able to make additional contributions into the Scheme or make withdrawals within the usual period.

### **BENEFITS OF INVESTING IN THE SCHEME**

Our vision is that of a healthy and happy member, family and community as the benefits are shared by all over time. Being healthy is a choice but health needs increase over time and so does the cost of health care. The Scheme offers access to the following features and benefits:

- Rollover of unused funds annually
- Earn interest on your contributions.
- One contribution fee anywhere in Australia
- May be used to cover hospital gaps.
- Vary your contribution amounts to suit your lifestyle needs (subject to minimum contribution amount)
- Disciplined and structured way to plan for your health needs over time.
- Be in control of your health decisions, choose the health service you need more of.
- Be in control of how much you spend on a service, no caps, tiers or levels.
- Suspend your contributions if you need to for up to three years.
- Cancel your membership anytime.
- Send a gift of health to someone you care about.
- 24/7 access to membership portal

## RISKS OF MANAGED INVESTMENT SCHEMES

### ALL INVESTMENTS CARRY RISK

Different strategies may carry different levels of risk, depending on the assets that make up the strategy. In general, assets with the highest long-term returns may also carry a higher-level of short-term risk. Before making an investment decision, it is important to understand the risks that may affect the value of your investment. While it is not possible to identify every risk relevant to investing in the Scheme, we have detailed significant risks that may affect all your investment.

The level of risk for each person will vary depending on a range of factors including age, investment timeframe, other investments and risk tolerance. Your financial adviser may assist you in determining whether the Scheme is suited to your objectives, financial situation and needs including the level of diversification you need.

NATURE OF RISK	VALUE OF RISK	DESCRIPTION OF RISK
Bank Risk	Low to Very Low	The Scheme assets are held in an Australian authorised deposit-taking institution that is regulated by APRA.
Asset Risk	Low to Very Low	Cash has a lower rate of return in the long term compared to stocks.
Interest Rate Risk	Low to Medium	Interest rate offered by banks can affect the rate of return on funds.
Regulatory Risk	Low to Medium	Regulatory changes can affect scheme operations and viability.
Operational Risk	Low to Medium	Is dependent on internet for delivery of services. Disruptions to internet can affect scheme operations.
Borrowing by Xtras Health Plan Ltd	Nil	Borrowing by Xtras Health Plan Ltd against Scheme Assets is not allowed
General Risk	Low to Medium	Other key risks of investing in managed investment schemes in general include that:  the value of investments will vary over time;  the levels of returns will vary and future returns may vary from past returns; returns are not guaranteed, and investors may lose some or all of their money; and laws affecting registered managed investment schemes may change in the future.

## HOW WE INVEST YOUR MONEY

Before deciding to become a member of the scheme, you should consider the likely investment return of the Scheme; the risks involve investing in the Scheme; and your investment time frame.

WE RECOMMEND YOU CONSULT A FINANCIAL ADVISER FOR ASSISTANCE IN DETERMINING WHETHER THE SCHEME IS APPROPRIATE FOR YOU.

Investment Objective	Low risk, High liquidity, Minimising capital loss
Asset Allocation	100% Cash
Risk Level	Low
Minimum timeframe	Long term
Scheme performance	Linked to interest rate offered by the Bank with whom the funds are held

## ENVIRONMENTAL, SOCIAL AND ETHICAL FACTORS AND LABOUR STANDARDS

We do not have a designated methodology, for taking labour standards or environmental, social and ethical considerations into account in the selection, realisation and retention of the Scheme's assets.

## FEES AND COSTS OF THE SCHEME

### CONSUMER ADVISORY WARNING

The Corporations Regulations 2001 requires us to include the following standard consumer advisory warning, and is not specific to this PDS.

### 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 the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This document 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 assets of the Scheme as a whole.

Taxes are set out in another part of this document.

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

TYPE OF FEE OR COST AMOUNT	
Fees when your money moves in or out of the Scheme	
Establishment fee	Nil
Contribution fee	1% of each contribution to the Scheme, deducted upon receipt.
Withdrawal fee	The lesser of 20% <sup>1</sup> of the amount withdrawn from the Scheme or 2% of the member's Available now, up to a maximum of \$200
Cancellation fee	20% <sup>2</sup> of cancellation account amount balance (less any outstanding amounts owed by the member) held in the Scheme
Suspension Fee	\$30 per quarter
Management Fee	Management fee of 0.5% of the member's closing account balance at the end of each month

1. See additional fees and costs section in the Reference Guide for further details regarding withdrawal fees.
2. See additional fees and costs section in the Reference Guide for further details regarding cancellation fees.
3. You may also be charged other fees and costs such as a suspension fee. See additional fees and costs section in the Reference Guide for further details.
4. Although we are entitled to charge a management fee of up to 2% of the gross asset value of the members' account monthly, the charge is 0.5% on closing account balance at the end of the month.

See additional fees and costs section in the Reference Guide for further details about when you may be charged a withdrawal fee.

#### EXAMPLE OF ANNUAL FEES AND COSTS

The following table gives an example of how the fees and costs applicable to interests in the scheme can affect your investment over a one (1) year period. You should use this table to compare this product with other simple managed investment scheme products.

Example Balance of \$3,650 with a \$1,825 a year contribution (paid weekly)		
Contribution Fee	1%	For every additional \$35 you contribute weekly, you will be charged \$0.35.
Plus, Management Costs	0.5%	For every \$3,650 you have in the Scheme you will be charged \$18.25 each month.
Equals Cost of Scheme		If you had an investment of \$3,650 at the beginning of the year and you put in an additional \$1,825 during that year (paid weekly), you would be charged fees of \$288.98 <sup>^</sup> .  What it costs you will depend on the investment option you choose and the fees you negotiate with the Scheme or financial adviser."

<sup>^</sup>Additional fees may apply. Please see the important additional information about 'Fees and costs' contained in the Reference Guide for more details.

## FEE CHANGES

The Constitution sets out the fees and expenses payable by the Scheme. We reserve the right to change fees and other costs without your consent, but subject to any limitations under the Constitution and any applicable laws. We will give you 30 days' notice prior to any increase in fees. Fees may be individually negotiated with wholesale clients.

## HOW MANAGED INVESTMENT SCHEMES ARE TAXED

Investing in a managed fund is likely to have tax consequences. Australian tax laws are complex and subject to constant change. The tax comments below are only relevant for Australian resident investors that hold their interests in the Scheme on capital account.

We strongly advise you to seek professional tax advice before deciding to invest. (Including net capital gains) of the Scheme. This is the case even though no cash distributions are made by the Scheme to members. For members who are not Australian residents, we may also be required to withhold tax on any distribution of Scheme payments or interest made to you. We will send you an annual tax distribution statement each year to assist in the preparation of your income tax return. You should read the important additional information about 'How managed investment schemes are taxed' contained in the Reference Guide relating to 'Foreign Account Compliance Act ('FATCA')' and 'Common Reporting Standard (CRS)' before deciding. Go to [yourhealthwallet.com/Reference-Guide/](http://yourhealthwallet.com/Reference-Guide/). This information may change between the time when you read this PDS and the day when you complete the application form to become a member.

## HOW TO APPLY FOR MEMBERSHIP OF THE SCHEME

To become a member of the Scheme, please read this PDS together with the Reference Guide available at [yourhealthwallet.com](http://yourhealthwallet.com). You will then need to complete the online application form on our website at [app.yourhealthwallet.com/member/register](http://app.yourhealthwallet.com/member/register).

ID verification is required during the sign up process and there is a fee charged which can be paid by credit card.

The platform access fee of \$16.50 per month is deducted from each members account on the 15th of each month from the available balance. The platform operator is a related entity to us. Our board of directors is satisfied that the arrangement is on arm's length commercial terms and has therefore approved this arrangement. Member approval has not been sought. Please see the 'Additional information' section contained in the Reference Guide for more information about how we deal with related party transactions.

Once you have been approved as a member and your account has been created, you will have 14 days to pay your initial contribution amount to activate your account. This amount is paid using electronic funds transfer:

Account Name: Certane CT Pty Ltd  
BSB: 082067  
Account Number: 26 843 9217

## COOLING-OFF PERIOD

A 14-day cooling-off period applies if you are investing directly in the Scheme as a retail client during which you may change your mind about your application and request the return of your money in writing. Generally, the cooling-off period runs for 14 days from the earlier of the time your application is confirmed, or the end of the fifth business day after your first contribution to the Scheme. The amount refunded to you may be less than your investment amount as it may be adjusted for expenses, applicable taxes and transaction costs incurred between the date of the application and the date of withdrawal. No cooling off applies to the offer under this PDS if you are investing directly in the Scheme as a wholesale client

## COMPLAINTS

If you have a complaint about your membership in the Scheme, please contact our Complaints Manager at:

T: 1300 949 287 Email: [complaints@yourhealthwallet.com](mailto:complaints@yourhealthwallet.com)

Information required in your correspondence must include your name including contact details, address, telephone number and email. What aspect of your health wallet service the complaint relates to, nature of your concern, relevant dates and parties involved, remedy sought or any other information. We will acknowledge any complaint in writing as soon as practicable and at least within 5 business days and will make every effort to resolve your issue within 45 days of us being notified. We are a member of and participate in the Australian Financial Complaints Authority or AFCA, an independent complaint resolution organisation. If you are a retail client and you feel that we have not addressed your issue to your satisfaction, you are entitled to make a complaint to AFCA at the following address:

**Australian Financial Complaints Authority Limited**  
GPO Box 3, Melbourne, VIC 3001