

Westpac Cash PIE Fund (the 'Fund')

Term Sheet.



Parties

Manager & Issuer

BT Funds Management (NZ) Limited ('we', 'us' and 'our'). We are the funds management arm of Westpac.

Registrar & Administration Manager

Westpac New Zealand Limited ('Westpac').

Trustee

Trustees Executors Limited.

Investors

You can invest in the Fund by opening an account at any Westpac branch.

If you're an existing Westpac customer, you can also open an account over the phone by calling **0800 WESTPAC (0800 937 8722)**.

If you're not an existing Westpac customer, you'll need to comply with Westpac's account opening terms and conditions before you can invest in the Fund.

You need to be a New Zealand resident individual, organisation or trust to invest in the Fund.

Description of Investment

Introduction

An investment in the Fund gives you the features of an on-call savings account with Westpac but with potentially greater after-tax returns. If your Prescribed Investor Rate ('PIR') is less than your Income Tax Rate, you could save on tax.

The Fund has two types of account – Online Saver PIE and Westpac Bonus Saver PIE.

You can make investments into your account through online banking, Phone Banking, ATMs, Salary Splitter, a sweep over facility, branch deposit boxes, Automatic Payments, Direct Credits and Bill Payments. You can also make investments into and withdrawals from your Westpac Bonus Saver PIE account over the counter at a branch.

From 21 November 2017, new Online Saver PIE accounts are no longer available. Online Saver PIE requires a Westpac transaction account to operate and make withdrawals from your fund account.

Investment Type

The Fund is a unit trust that is registered as a Portfolio Investment Entity ('PIE') for tax purposes. This can allow tax to be minimised for a range of investors. You buy units in the Fund for \$1.00 each. So a \$500 investment means you hold 500 units. The Fund invests solely in a New Zealand dollar, interest bearing account with Westpac. Trustees Executors Limited, as the independent trustee, holds the Fund's assets on behalf of all investors.

Returns

Online Saver PIE – you receive a competitive, single rate of return no matter how many withdrawals or investments you make from or into your account.

Westpac Bonus Saver PIE – to reward regular savings for longer term goals you receive:

- I. A base rate of return on your account balance no matter how many withdrawals or investments you make from or into your account.
- II. An additional bonus rate of return on your account balance if the balance on the last business day of the month is at least \$20 greater than the balance on the last business day of the prior month. The \$20 excludes returns earned on the account and any transaction or service fees charged to the account.

You can view the current rates of return (before tax) at westpac.co.nz/overdraftsavingstransactions.

Returns calculated daily and paid monthly

Your returns are calculated on a per annum basis on the daily balance of your account. Returns (including any bonus returns) net of tax are paid into your account (or another nominated Westpac account) on the last business day of each month.

Special rates

We may offer special rates from time to time in relation to investments in the Fund on such terms and conditions as we decide.

Minimum Investment

Online Saver PIE – NZ\$500 (being 500 units) per account. If your account balance is below \$500, you will not receive any returns and we may close your account and pay the account balance to you. You can set up a txt and/ or email alert to notify you when your account balance falls below \$500.

Westpac Bonus Saver PIE – There is no minimum investment amount. If your account balance is \$0 (being 0 units), you will not have an interest in the Fund. This means that you will not be a unitholder and the provisions that apply to unitholders under the Westpac Banking Funds Trust Deed dated 20 July 2009, as amended (the 'Trust Deed') will not apply to you while your account balance is \$0 (being 0 units).

Fees

Online Saver PIE - No fees or expenses are currently payable by you relating to your investment in the Fund.

Westpac Bonus Saver PIE – Electronic statements are free. Paper statements are \$1.50 per statement printed. Withdrawals in branch are \$2.50 per withdrawal. All online deposits and withdrawals are free. These fees will be waived for customers aged under 19 years, 65 years or older or who have their NZ Super credited to their Westpac Bonus Saver PIE account. Please refer to the Westpac Transaction and Service fees brochure for more information.

A service fee may apply to your Westpac transaction account if you're a frequent user of Phone Banking.

Terms and Conditions

Investments in the Fund are subject to these terms, the Westpac Banking Funds Trust Deed dated 20 July 2009, as amended (the 'Trust Deed') and Westpac's General Terms and Conditions, any of which may change from time to time. A reference to 'Westpac' in Westpac's General Terms and Conditions includes us. A copy of the Trust Deed can be viewed on the Westpac website (westpac.co.nz/trustdeed) or at Westpac's offices for no charge. Westpac's General Terms and Conditions can be obtained from westpac.co.nz or at any Westpac branch.

Withdrawals and Tax

Withdrawals

You can generally withdraw all or part of your investment at any time, subject to maintaining the minimum investment stipulated under Minimum Investment for each account.

Where it is in the interests of investors or where the Fund's eligibility for PIE status would be threatened, we can suspend or delay withdrawals.

Tax

The Fund is a PIE for tax purposes. If your PIR is lower than your Income Tax Rate, you'll pay less tax on your savings in a PIE than in a standard savings account (unless your PIR is 0% or you are a trust that elects a PIR less than 28%). To compare, use the 'Best Returns' calculator at westpac.co.nz/best-return.

The Fund will deduct and pay tax from your return payments at the most recent PIR that you have notified to us.

You must advise us of your IRD number when opening your account. You must also advise us of your PIR otherwise your returns will be taxed at the default PIR (currently 28%).

Please advise us of your correct PIR. If you advise us of a PIR lower than your correct rate, you may be obliged to pay any tax shortfall at your Income Tax Rate (plus any interest and penalties) and may be required to file a tax return. If you notify us of a PIR higher than your correct rate, any excess tax paid on your behalf cannot be claimed back as PIE tax is a final tax in this situation. Information to work out your correct PIR is available on the IRD website at ird.govt.nz (search for 'correct PIR').

If your PIR changes, you must notify us as soon as possible. While we cannot apply your new PIR to returns already taxed, it is important to correct your PIR for any future returns.

The Fund treats joint investors as a single investor with a PIR equal to the highest PIR of all joint investors. Each joint investor must provide us with their IRD number and PIR. If any joint investor does not provide us with their PIR, tax will be deducted at the default PIR.

If the Fund fails to comply with PIE eligibility criteria (as defined in the applicable tax legislation) and does not remedy the failure within the period permitted, the Fund may lose its PIE status. If this happens, the Fund will be taxed at 28% on its taxable income and any distributions and redemptions will become taxable to you at your Income Tax Rate, with a tax credit available for any imputation credits. We have implemented processes to monitor ongoing PIE eligibility compliance, and have a number of powers available to us to proactively manage this risk.

In some cases, you could pay more tax on your investment in the Fund than if you invest in a regular savings account. For more information on the PIE tax benefits and disadvantages including how these apply to companies, please see westpac.co.nz/piebenefits.

Further information on PIEs can be found at ird.govt.nz (search for 'PIE for investors').

Westpac, BT Funds Management (NZ) Limited and Trustees Executors Limited do not accept any responsibility for the tax consequences of your investment in the Fund. You should seek independent professional advice as to your particular tax position.

Additional Information

Westpac Disclosure Statement

Important information about Westpac's financial position can also be found in the current disclosure statement issued by Westpac. You are entitled to a copy of that disclosure statement on request at any branch of Westpac, free of charge. A copy is also available at westpac.co.nz (click on the link 'Disclosure Statements' which is located at the bottom left corner of the homepage).

Financial Statements

A copy of the most recent financial statements is available on the Westpac website (westpac.co.nz/pieannualreport).

Consider Carefully

Investment decisions are very important. They often have long-term consequences. Read these terms and Westpac's General Terms and Conditions carefully, westpac.co.nz/overdraftsavingstransactions and the Trust Deed also provide more detailed information. Ask questions. Seek advice before committing yourself.

Changes to Terms

We may change the terms and conditions that apply to investments in the Fund by giving notice at least 14 days in advance in accordance with Westpac's General Terms and Conditions.

Westpac's and our Obligations

Investments made in the Fund do not represent bank deposits or other liabilities of Westpac Banking Corporation ABN 33 007 457 141 or Westpac. The Fund however, invests directly in a New Zealand dollar, interest bearing account with Westpac. We and/or Westpac may receive a commercial benefit from this arrangement.

The ultimate holding company of BT Funds Management (NZ) Limited is Westpac Banking Corporation. None of Westpac Banking Corporation, Westpac, BT Funds Management (NZ) Limited, any other member of the Westpac group of companies or Trustees Executors Limited guarantees the Fund's performance, returns or repayment of capital. Investments in the Fund are subject to investment and other risks, including possible delays in payment of withdrawal amounts in some circumstances, and loss of investment value including principal invested. The Fund is not offered, and this term sheet does not constitute an offer, in any jurisdiction other than in New Zealand.

This term sheet is dated 1 June 2019.