

Westpac Premium Investment Funds

International Diversified Bond Fund

Fund Update for the quarter ended:

31 March 2017

This fund update was first made publicly available on 3 May 2017.

What is the purpose of this update?

This document tells you how the International Diversified Bond Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. BT Funds Management (NZ) Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

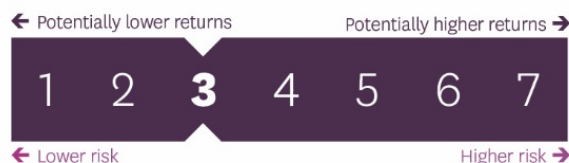
Description of this fund

The International Diversified Bond Fund aims to provide capital growth over the short to medium term by investing primarily in a range of international fixed interest assets. The primary areas of investment are North America, United Kingdom, Europe and the Asia-Pacific region.

Total value of the fund	\$ 357,427,218
The date the fund started	1 October 2001

What are the risks of investing?

Risk indicator for the International Diversified Bond Fund.¹



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at sorted.org.nz/tools/investor-kickstarter

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 31 March 2017. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

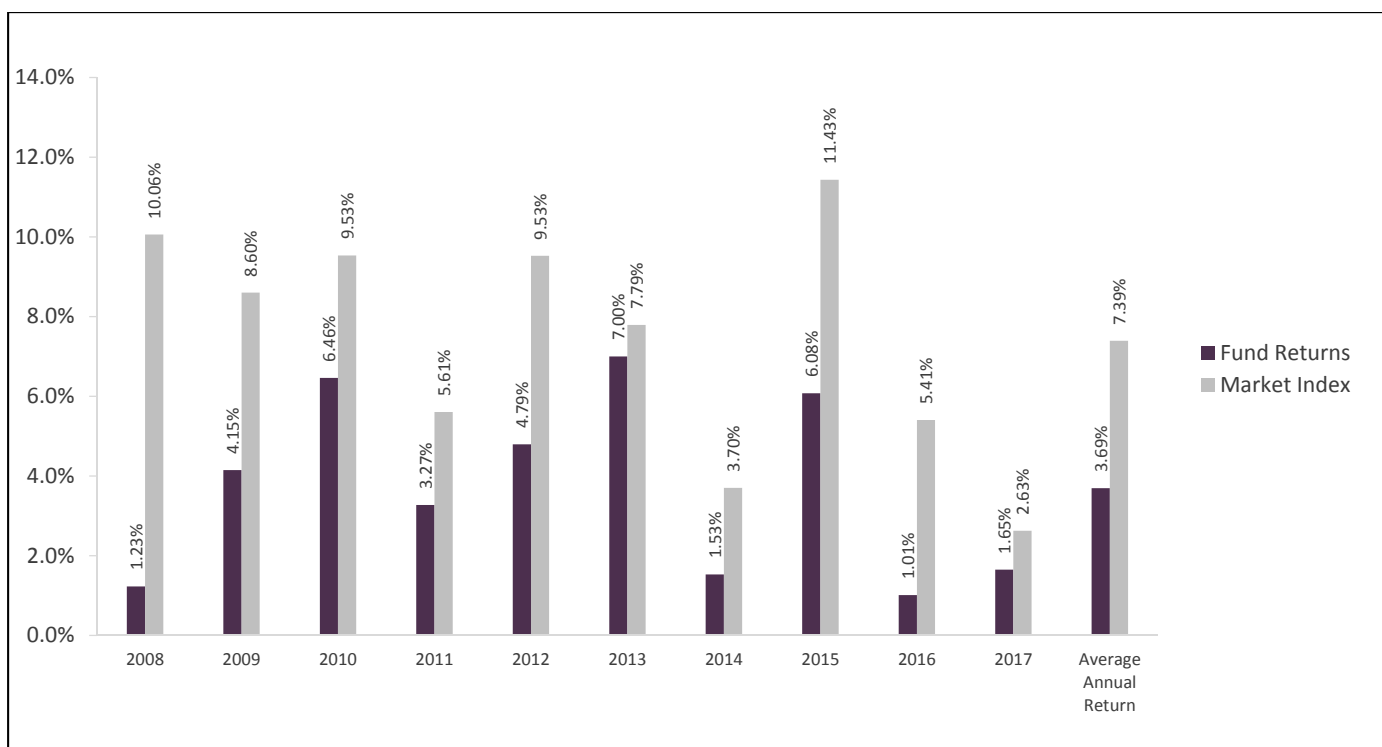
How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	3.42%	1.65%
Annual return (after deductions for charges but before tax)	4.75%	2.30%
Market index annual return (reflects no deductions for charges and tax)	6.15%	2.63%

The market index return reflects the return for the Bloomberg Barclays Global Aggregate Index (100% hedged to NZD).

Additional information about the market index is available in the Statement of Investment Policy and Objectives (SIPO) on the register at companiesoffice.govt.nz/disclose

Annual return graph



This shows the return after fund charges and tax for each of the last 10 complete years ending 31 March. The last bar shows the average annual return over the past 10 years, up to 31 March 2017.

Important: This does not tell you how the fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the International Diversified Bond Fund are charged fund charges. In the year to 31 March 2016, these were:

	% of net asset value
Total fund charges	0.92%
Which are made up of	
Total management and administration charges	0.92%
Including -	
Manager's basic fee	0.81%
Other management and administration charges	0.11%
Total performance-based fees	0.00%
Other charges	\$ amount per investor
Other Charges	\$0.00

Small differences in fees and charges can have a big impact on your investment over the long term.

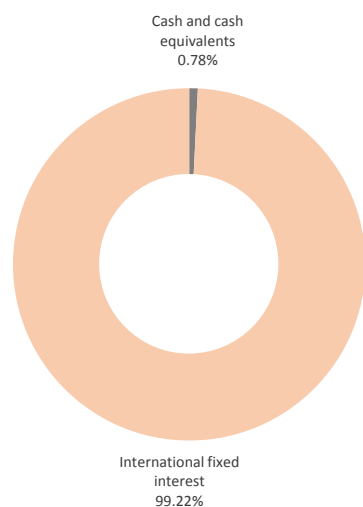
Example of how this applies to an investor

Jason had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Jason received a return after fund charges were deducted of \$165 (that is 1.65% of his initial \$10,000). Jason did not pay anything in other charges. This gives Jason a total return after tax of \$165 for the year.

What does this fund invest in?

This shows the types of assets that the fund invests in.²

Actual investment mix



Target investment mix

International fixed interest	100.00%
------------------------------	---------

Top 10 investments

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	5Y T-Note (CBT) Jun 17	4.70%	International fixed interest	United States of America	
2	Government Of Australia 4.5% 15-Apr-2020	2.72%	International fixed interest	Australia	AAA
3	3Y Australia T-Bond (SFE) Jun 17	2.62%	International fixed interest	Australia	
4	10Y Japan Govt Bond (OSE) Jun 17	1.63%	International fixed interest	Japan	
5	2Y T-Note (CBT) Jun 17	1.62%	International fixed interest	United States of America	
6	Government Of Japan 0.1% 20-Dec-2019	1.51%	International fixed interest	Japan	A
7	Government Of The United States Of America 0.625% 15-Jan-2026	1.16%	International fixed interest	United States of America	AAA
8	Government Of Japan 0.3% 20-Sep-2018	1.14%	International fixed interest	Japan	A
9	Long Euro BTP Italy (EUR) Jun 17	1.10%	International fixed interest	Italy	
10	10Y Australia T-Bond (SFE) Jun 17	1.05%	International fixed interest	Australia	

The top 10 investments make up 19.25% of the net asset value of the fund.³

Key personnel

	Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
1	Nigel Jackson	Acting Head of Investments & Insurance	0 year 1 month	Head of Customer Proposition (current)	5 years 5 months
2	Matthew Goldsack	Head of Investment Solutions	8 years 3 months	Head of Research, AXA Global Investors	7 years 10 months
3	Francois Richeboeuf	Senior Portfolio Manager	6 years 5 months	Head of Fixed Income and Portfolio Manager, Rand Merchant Bank Asset Management	3 years 1 month
4	Angelika Sansom	Investment Analytics Manager	15 years 7 months	Investment Consultant, Mercer	2 years 4 months
5	Anna Boyle	Senior Research Analyst	7 years 1 month	Investor Communications, Westpac New Zealand Limited	1 year 5 months

Nigel Jackson was not named in the previous fund update for the International Diversified Bond Fund.

Further information

You can also obtain this information, the PDS for the Westpac Premium Investment Funds, and some additional information from the offer register at companiesoffice.govt.nz/disclose

Notes

1. The risk category for each fund is calculated based on the volatility of past returns over five years and this does not represent a full investment cycle. The output may be different if calculated using a longer timeframe. We believe an average investment cycle is generally considered to be a period of between 7 to 10 years. If the period of returns data that a risk indicator is based on was one of unusually low or unusually high volatility the risk category presented in a PDS (or any fund update) may not reflect the fund's future volatility.
2. For further information on each of the asset classes refer to the PDS and the SIPO.
3. The top 10 investments have been calculated excluding cash and cash equivalents held for operational and hedging purposes.