

Westpac Premium Investment Funds

Property Fund

Fund Update for the quarter ended:

31 March 2018

This fund update was first made publicly available on 1 May 2018.

What is the purpose of this update?

This document tells you how the Property 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.

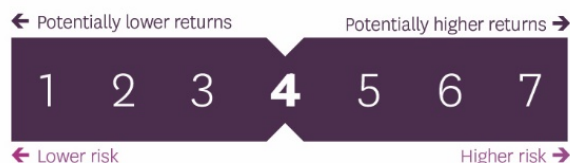
Description of this fund

The Property Fund aims to provide capital growth over the long term by investing primarily in a diversified portfolio of listed New Zealand and International property equities. The primary sector exposure includes commercial, residential, retail and industrial properties.

| | |
|---------------------------|---------------|
| Total value of the fund | \$ 60,126,523 |
| The date the fund started | 1 June 1997 |

What are the risks of investing?

Risk indicator for the Property 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 2018. 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.

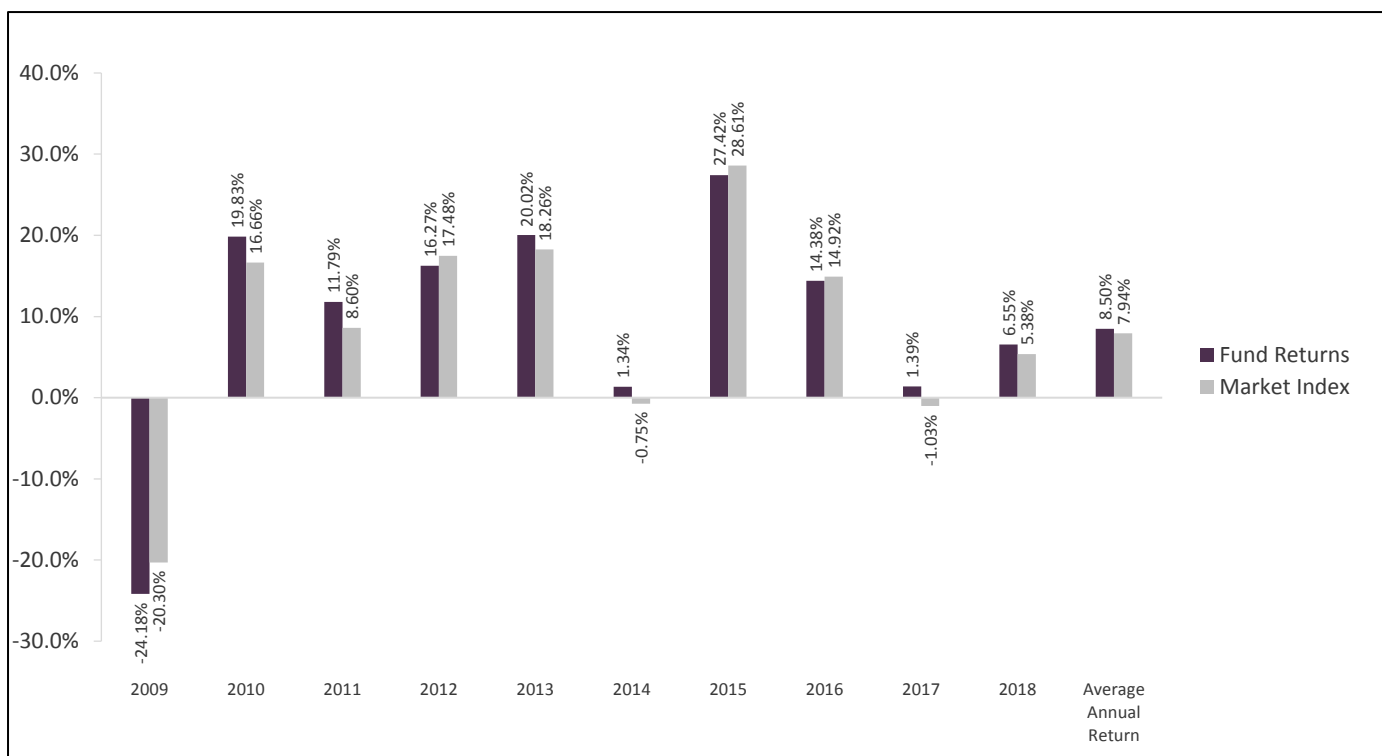
How has the fund performed?

| | Average over past 5 years | Past year |
|---|---------------------------|-----------|
| Annual return (after deductions for charges and tax) | 9.79% | 6.55% |
| Annual return (after deductions for charges but before tax) | 10.71% | 7.74% |
| Market index annual return (reflects no deductions for charges and tax) | 8.88% | 5.38% |

The market index return reflects the benchmark index returns for the relevant period. Effective from 5 October 2017 the benchmark index for this fund was changed to the S&P/NZX All Real Estate Gross Index and FTSE EPRA/NAREIT Developed Index NTR (139% hedged on a before tax basis to NZD) following a review of this asset class. Prior to this date the S&P/NZX All Real Estate Gross Index was used.

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

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 for the last 10 years, up to 31 March 2018.

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 Property Fund are charged fund charges. In the year to 31 March 2017, these were:

| | % of net asset value |
|--|-------------------------------|
| Total fund charges | 1.16% |
| Which are made up of | |
| Total management and administration charges | 1.16% |
| Including - | |
| Manager's basic fee | 1.02% |
| Other management and administration charges | 0.14% |
| 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.

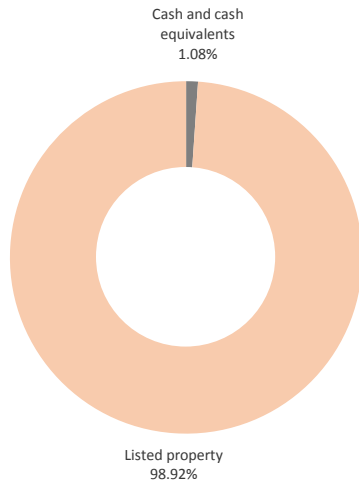
Example of how this applies to an investor

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 \$655 (that is 6.55% of his initial \$10,000). Jason did not pay anything in other charges. This gives Jason a total return after tax of \$655 for the year.

What does the fund invest in?

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

Actual investment mix



Target investment mix

| | |
|-----------------|---------|
| Listed property | 100.00% |
|-----------------|---------|

Top 10 investments

| | Name | % of fund net assets | Type | Country | Credit rating (if applicable) |
|----|--|----------------------|-----------------|-------------|-------------------------------|
| 1 | Kiwi Property Group Ltd | 13.41% | Listed property | New Zealand | |
| 2 | Precinct Properties NZ Ltd | 8.92% | Listed property | New Zealand | |
| 3 | Goodman Property Trust | 8.27% | Listed property | New Zealand | |
| 4 | Argosy Property Trust | 5.27% | Listed property | New Zealand | |
| 5 | Stride Property Ltd and Stride Invest Mgmt Ltd | 4.33% | Listed property | New Zealand | |
| 6 | Investore Property Limited | 3.88% | Listed property | New Zealand | |
| 7 | Vital Healthcare Property Trust | 3.62% | Listed property | New Zealand | |
| 8 | Centuria Metropolitan REIT | 2.91% | Listed property | Australia | |
| 9 | Property for Industry Ltd | 2.25% | Listed property | New Zealand | |
| 10 | NPT Ltd | 1.94% | Listed property | New Zealand | |

The top 10 investments make up 54.80% 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 | 1 year 1 month | Head of Customer Proposition (current) | 6 years 5 months |
| 2 | Matthew Goldsack | Head of Investment Solutions | 9 years 3 months | Head of Research, AXA Global Investors | 7 years 10 months |
| 3 | Francois Richeboeuf | Senior Portfolio Manager | 7 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 | 16 years 7 months | Investment Consultant, Mercer | 2 years 4 months |
| 5 | Anna Boyle | Senior Research Analyst | 8 years 1 month | Investor Communications, Westpac New Zealand Limited | 1 year 5 months |

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 disclose-register.companiesoffice.govt.nz

Notes

1. The risk indicator for the fund is calculated based on the volatility of past returns over five years, which is not a full investment cycle. In some cases 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 indicator presented in a PDS (or any fund update) may provide a less reliable indication of the potential future volatility of a fund.
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.