



Westpac Active Series Annual Report

for the year ended 31 March 2016

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Manager's Statement

In the opinion of the Manager, BT Funds Management (NZ) Limited, the accompanying Financial Statements are drawn up so as to represent fairly the financial position of the Westpac Retail Trusts and their results for the year ended 31 March 2016. There are reasonable grounds to believe that the entities will be able to pay their debts as and when they fall due.

The Board of Directors of BT Funds Management (NZ) Limited authorised these Financial Statements for issue on 26 July 2016.

For and on behalf of the Manager



David McLean
26 July 2016



Andy Kerr

Independent Auditors' Report



to the unitholders of:

Westpac Active Income Strategies Trust

Westpac Active Conservative Trust

Westpac Active Moderate Trust

Westpac Active Balanced Trust

Westpac Active Growth Trust

(Collectively referred to as the "Westpac Retail Trusts" or the "Trusts")

Report on the Financial Statements

We have audited the financial statements of the Westpac Retail Trusts (the "Trusts") on pages 5 to 14, which comprise the balance sheets as at 31 March 2016, the statements of comprehensive income, the statements of changes in unitholders' funds and the cash flow statements for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Manager's Responsibility for the Financial Statements

The Trusts' Manager is responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal controls as the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Trusts' preparation of financial statements that give a true and fair view of the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We are independent of the Trusts. Our firm carries out other services for the Trusts, the Manager, and related entities of the Manager in the areas of other assurance and advisory services. The provision of these other services has not impaired our independence.

Opinion

In our opinion, the financial statements on pages 5 to 14:

- (i) comply with generally accepted accounting practice in New Zealand;
- (ii) comply with International Financial Reporting Standards; and
- (iii) give a true and fair view of the financial position of the Trusts as at 31 March 2016, and their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2016:

- (i) we have obtained all the information and explanations that we have required; and
- (ii) in our opinion, proper accounting records have been kept by the Trusts as far as appears from an examination of those records.

Restriction on Use of our Report

This report is made solely to each Trust's unitholders, as a body. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than each Trust's unitholders, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants
26 July 2016

Auckland

Statements of Comprehensive Income

For the year ended 31 March:	Note	Westpac Active Income Strategies Trust		Westpac Active Conservative Trust		Westpac Active Moderate Trust		Westpac Active Balanced Trust		Westpac Active Growth Trust	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Investment income											
Interest income	5	8	12	73	68	76	67	59	70	26	29
Distribution income	5	122	160	-	-	-	-	-	-	-	-
Net gains on financial assets at fair value through profit or loss	5	514	708	6,374	9,720	8,637	12,351	6,980	16,166	3,181	7,666
Net investment income		644	880	6,447	9,788	8,713	12,418	7,039	16,236	3,207	7,695
Expenses											
Management fees	5	153	157	1,611	1,175	2,238	1,369	2,079	1,716	909	781
Management fee rebates	5	(42)	(52)	-	-	-	-	-	-	-	-
Trustee fee rebates	5	(4)	(6)	(30)	(46)	(35)	(47)	(32)	(53)	(13)	(22)
Total expenses		107	99	1,581	1,129	2,203	1,322	2,047	1,663	896	759
Profit and total comprehensive income attributable to unitholders		537	781	4,866	8,659	6,510	11,096	4,992	14,573	2,311	6,936

The accompanying notes are an integral part of these Financial Statements.

Statements of Changes in Unitholders' Funds

For the year ended 31 March:	Westpac Active Income Strategies Trust		Westpac Active Conservative Trust		Westpac Active Moderate Trust		Westpac Active Balanced Trust		Westpac Active Growth Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Unitholders' funds at beginning of the year	19,922	19,980	120,875	93,029	126,579	86,489	133,837	108,142	57,001	46,438
Total comprehensive income attributable to unitholders	537	781	4,866	8,659	6,510	11,096	4,992	14,573	2,311	6,936
Applications	544	4,619	62,925	34,055	125,086	43,562	45,919	28,726	11,837	11,016
Withdrawals	(2,794)	(5,458)	(17,487)	(14,868)	(24,809)	(14,568)	(24,942)	(17,604)	(7,596)	(7,389)
Movements in unitholders' funds for the year	(1,713)	(58)	50,304	27,846	106,787	40,090	25,969	25,695	6,552	10,563
Unitholders' funds at the end of the year	18,209	19,922	171,179	120,875	233,366	126,579	159,806	133,837	63,553	57,001
	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Unit balances at the beginning of the year	17,845	18,636	71,589	59,785	97,300	73,610	71,314	64,947	31,845	29,739
Applications	478	4,205	36,856	20,986	94,900	35,404	24,081	16,321	6,529	6,497
Withdrawals	(2,471)	(4,996)	(10,234)	(9,182)	(18,827)	(11,714)	(13,115)	(9,954)	(4,187)	(4,391)
Unit balances at the end of the year	15,852	17,845	98,211	71,589	173,373	97,300	82,280	71,314	34,187	31,845

The accompanying notes are an integral part of these Financial Statements.

Balance Sheets

As at 31 March:	Note	Westpac Active Income Strategies Trust		Westpac Active Conservative Trust		Westpac Active Moderate Trust		Westpac Active Balanced Trust		Westpac Active Growth Trust	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current assets											
Financial assets at fair value through profit or loss	5	18,030	19,769	168,835	120,081	230,396	126,334	158,864	133,094	62,850	56,649
Management fee rebates receivable	5	4	5	-	-	-	-	-	-	-	-
Trustee fee rebates receivable	5	-	1	2	5	2	5	2	5	1	2
Other receivables		25	39	46	113	1,771	104	51	51	8	22
Cash and cash equivalents	5	261	620	3,205	2,077	2,908	1,499	2,324	2,203	896	779
Total current assets		18,320	20,434	172,088	122,276	235,077	127,942	161,241	135,353	63,755	57,452
Current liabilities											
Management fees payable	5	12	14	160	118	249	141	192	167	81	76
Other payables		-	367	94	184	713	96	864	252	61	-
Tax payable on behalf of unitholders		99	131	655	1,099	749	1,126	379	1,097	60	375
Total current liabilities		111	512	909	1,401	1,711	1,363	1,435	1,516	202	451
Unitholders' funds		18,209	19,922	171,179	120,875	233,366	126,579	159,806	133,837	63,553	57,001

The accompanying notes are an integral part of these Financial Statements.

Cash Flow Statements

For the year ended 31 March:	Note	Westpac Active Income Strategies Trust		Westpac Active Conservative Trust		Westpac Active Moderate Trust		Westpac Active Balanced Trust		Westpac Active Growth Trust	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash flows from operating activities											
Proceeds from sale of financial assets at fair value through profit or loss		3,019	4,517	4,960	2,552	8,920	2,980	16,150	8,928	7,890	5,470
Interest income received		8	12	73	68	76	67	59	70	26	29
Distribution income received		136	153	-	-	-	-	-	-	-	-
Purchase of financial assets at fair value through profit or loss		(760)	(3,780)	(47,340)	(20,820)	(104,345)	(31,782)	(34,940)	(17,954)	(10,910)	(8,025)
Operating expenses paid		(113)	(106)	(1,536)	(1,101)	(2,092)	(1,274)	(2,019)	(1,628)	(890)	(746)
Net cash flows from/(used in) operating activities	6	2,290	796	(43,843)	(19,301)	(97,441)	(30,009)	(20,750)	(10,584)	(3,884)	(3,272)
Cash flows from financing activities											
Applications		544	4,620	62,992	34,043	123,419	43,552	45,919	28,923	11,851	11,007
Withdrawals		(3,193)	(5,067)	(18,021)	(14,160)	(24,569)	(13,924)	(25,048)	(17,467)	(7,850)	(7,579)
Net cash flows (used in)/from financing activities		(2,649)	(447)	44,971	19,883	98,850	29,628	20,871	11,456	4,001	3,428
Net (decrease)/increase in cash and cash equivalents		(359)	349	1,128	582	1,409	(381)	121	872	117	156
Cash and cash equivalents at the beginning of the year		620	271	2,077	1,495	1,499	1,880	2,203	1,331	779	623
Cash and cash equivalents at the end of the year		261	620	3,205	2,077	2,908	1,499	2,324	2,203	896	779

The accompanying notes are an integral part of these Financial Statements.

Notes to the Financial Statements

1. General information

1.1 Reporting entities

These financial statements (**'Financial Statements'**) are for the Westpac Retail Trusts which comprise the following:

- Westpac Active Income Strategies Trust;
- Westpac Active Conservative Trust;
- Westpac Active Moderate Trust;
- Westpac Active Balanced Trust; and the
- Westpac Active Growth Trust.

Collectively the Westpac Retail Trusts are referred to as the 'Trusts' and individually as a 'Trust'. The Trusts were created under a trust deed dated 30 January 1990 and are now governed by a consolidated trust deed dated 19 September 2013 (the **'Trust Deed'**). There have been no changes to the Trust Deed during the year.

The principal activity of the Trusts is investment. The Trusts' investment activities are managed by BT Funds Management (NZ) Limited (the **'Manager'**). The registered office of the Manager is Level 10, 16 Takutai Square, Auckland. The Trusts are domiciled in New Zealand.

The New Zealand Guardian Trust Company Limited (the **'Trustee'**) is the trustee to the Trusts. The registered office of the Trustee is Level 14, 191 Queen Street, Auckland.

1.2 Statutory base

Each Trust is a unit trust as defined by the Unit Trusts Act 1960 (the **'Act'**) and the Trusts are subject to the provisions of that Act. These Financial Statements have been prepared in accordance with the requirements of the Act, the Financial Reporting Act 1993 and the Trust Deed. The Financial Statements were authorised for issue by the Directors of the Manager on 26 July 2016. The Directors of the Manager have the power to amend and reissue the Financial Statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied throughout the periods presented, unless otherwise stated.

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (**'NZ GAAP'**). For the purposes of complying with NZ GAAP, the Trusts are profit-oriented entities. These Financial Statements have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards (**'NZ IFRS'**) as issued by the External Reporting Board and other applicable reporting standards. The Financial Statements comply with International Financial Reporting Standards (**'IFRS'**) as issued by the International Accounting Standards Board. These Financial Statements have been prepared under the historical cost method, except for financial assets and liabilities held at fair value through profit or loss.

The preparation of the Financial Statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Directors of the Manager to exercise their judgement in the process of applying the Trusts' accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 3.

(a) Presentation

The Financial Statements are presented in New Zealand dollars which is the functional currency of the Trusts. The functional currency reflects the currency of the economy in which the Trusts compete for funds and are regulated. All amounts are rounded to the nearest \$'000 unless otherwise stated.

(b) Standards and amendments to existing standards effective 1 April 2015 impacting the Trusts

No new standards have been adopted by the Trusts effective 1 April 2015 that have a significant impact on the Trusts' reported results or financial position.

(c) Future accounting developments

NZ IFRS 9 *Financial Instruments* (**'NZ IFRS 9'**) was issued in September 2014 as a complete version of the standard and is effective from 1 January 2018. NZ IFRS 9 requires financial assets to be classified on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measures the financial assets as either at amortised cost or fair value. The requirements for classifying and measuring financial liabilities have been added to the standard and were carried forward largely unchanged from NZ IAS 39 *Financial Instruments: Recognition and Measurement*. However, the requirements related to the fair value option for financial liabilities were changed to

address the issue of own credit risk. The new hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by entities when hedging their financial and non-financial risks. NZ IFRS 9 introduces a new expected credit loss model for calculating impairment of financial assets. NZ IFRS 9, when it is adopted, is not expected to have a significant impact on the Trusts' reported result or financial position. The Trusts intend adopting NZ IFRS 9 for the financial period commencing 1 April 2018.

2.2 Investment income

Interest income on cash and cash equivalents is included as interest in the Statements of Comprehensive Income using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

Realised and unrealised gains and losses are reflected in the Statements of Comprehensive Income as net gains on financial assets at fair value through profit or loss. Unrealised gains or losses include the change in net market value of investments held as at balance date and the reversal of prior period unrealised gains or losses on investments that have been realised in the current period. Realised gains or losses are calculated based on the difference between the gross sale proceeds and the weighted average cost of the investments sold.

Distribution income is recognised on the ex-distribution date with any related domestic and foreign withholding tax allocated to unitholders under the Portfolio Investment Entity (**'PIE'**) regime (refer Note 2.4 for further information). Distributions are recognised on a present entitlements basis.

2.3 Expenses

All expenses are recognised in the Statements of Comprehensive Income on an accrual basis.

2.4 Income tax

Each Trust qualifies as, and has elected to be, a PIE for tax purposes. Under the PIE regime, income is taxed in the hands of the unitholders and therefore the Trusts have no income tax expense. The Manager attributes the taxable income of the Trusts to investors in accordance with the proportion of their interest in the Trusts. The income attributed to each investor is taxed at the investor's 'Prescribed Investor Rate' upon redemption and annually at 31 March. The amount of PIE tax paid or refunded during the year is included in unitholders' withdrawals and applications in the Statements of Changes in Unitholders' Funds. Unitholders' net PIE tax liabilities at balance date are recognised in the Balance Sheets under 'Tax payable on behalf of unitholders'.

2. Summary of significant accounting policies continued

2.5 Goods and services tax ('GST')

The Trusts are not registered for GST and consequently all components of the Financial Statements are shown inclusive of GST where applicable.

2.6 Financial instruments

(a) Classification

The Trusts' financial instruments are categorised as financial assets at fair value through profit or loss, loans and receivables and financial liabilities at amortised cost.

Financial assets at fair value through profit or loss

All financial assets at fair value through profit or loss in the Balance Sheets relate to the Trusts' investments in unlisted unit trusts. The Trusts' investments in unlisted unit trusts are categorised as financial assets designated at fair value through profit or loss at inception. Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trusts' documented investment strategy. The Manager evaluates the information about these financial assets on a fair value basis together with other related financial information.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include management fee rebates receivable, trustee fee rebates receivable, other receivables and cash and cash equivalents. Cash and cash equivalents include cash on hand and deposits held at call with banks.

Financial liabilities at amortised cost

These amounts represent liabilities and accrued expenses owed by the Trusts at balance date. These include management fees payable and other payables.

(b) Recognition and measurement

Financial assets at fair value through profit or loss

The Trusts recognise financial assets on the date they become party to the contractual agreement (trade date). Financial assets at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the financial instruments at fair value through profit or loss are recognised in the Statements of Comprehensive Income within 'Net gains on financial assets at fair value through profit or loss' in the period in which they arise.

Loans and receivables

Loans and receivables are initially recognised at fair value, being the amounts receivable, plus directly attributable transaction costs. Loans and receivables are subsequently measured at amortised cost using the effective interest method, reduced for impairment as appropriate. Any impairment charge is recognised in the Statements of Comprehensive Income.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost are initially recognised at fair value and subsequently measured at amortised cost.

(c) Derecognition

A financial asset is derecognised when the rights to receive cash flows have expired or the Trusts have transferred substantially all of the risks and rewards of ownership. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(d) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value in an active market

The fair value of financial assets traded in active markets is based on quoted market prices at the close of trading on the period end date. A financial asset is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker or pricing service, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Fair value in an inactive or unquoted market

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques generally recognised as standard within the industry. The Manager uses a variety of methods and makes assumptions that are based on market conditions existing at balance date. The fair value of investments in unlisted unit trusts is recorded at the redemption value per unit as reported by the manager of the unit trust.

The Manager's fair value hierarchy classifications of the Trusts' financial assets are detailed in Note 8.

2.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheets when there is a legally enforceable right to offset the recognised amounts and there is either an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.8 Unitholders' funds

Units in the Trusts are redeemable at the unitholders' option and are classified as equity. Units can be redeemed from the relevant Trust at any time for assets equal to those units' proportionate share of the respective Trust's net asset value which is the redemption price. The fair value of redeemable units is measured at the redemption amount that would be payable (based on the redemption unit price) if all unitholders exercised their right to put their units back to the Trusts at the balance date.

As stipulated in the Trust Deed, each unit represents a right to an individual share in the respective Trust and does not extend to a right in the underlying assets of the respective Trust. There are no separate classes of units within each Trust and each unit has the same rights attaching to it as all other units in the respective Trust. Units are issued and redeemed at the holder's option at prices based on each Trust's net asset value per unit at the time of issue or redemption. Each Trust's net asset value per unit is calculated by dividing the net assets attributable to the holders of the Trust by the total number of units of the Trust.

2.9 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the Financial Statements.

2.10 Cash flow statements

Payments and receipts relating to the purchase and sale of financial assets are classified as cash flows from operating activities, as movements in the fair value of these assets represent the Trusts' main income generating activity.

2.11 Consolidation of financial statements

The Trusts do not prepare consolidated financial statements in instances where the Trusts are deemed to control another fund.

3. Critical accounting estimates and judgements

The Manager makes estimates and assumptions that may affect the reported values of assets and liabilities. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience among other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Classification as an investment entity

An entity is not required to consolidate an investment in a subsidiary where such an entity meets the definition of an investment entity as defined in NZ IFRS 10 *Consolidated financial statements* ('NZ IFRS 10'). Such investments held in subsidiaries are classified as financial assets at fair value through profit or loss and measured at fair value. The Manager believes each Trust meets the definition of an investment entity as defined by NZ IFRS 10 because of the following characteristics:

- It obtains funds from one or more investors for the purpose of providing those investors with a managed investment product;
- It commits to its investors via a documented investment strategy that its business purpose is to invest funds solely for returns from capital appreciation, investment income or a combination of both; and
- It measures the performance of its investments on a fair value basis.

Each Trust also displays all four characteristics that are associated with an investment entity:

- It holds more than one investment;
- It has more than one investor;
- It has investors that are not related to the Trust; and
- Ownership interests in the Trust are represented by units of equity interests.

4. Commitments and contingent liabilities

There are no material contingent liabilities or capital commitments as at 31 March 2016 (31 March 2015: nil).

5. Related Parties

5.1 General

The Manager is ultimately owned by Westpac Banking Corporation. The Trusts' primary bank accounts are held with Westpac New Zealand Limited (also ultimately owned by Westpac Banking Corporation). All dealings with Westpac Banking Corporation or its subsidiaries are conducted on standard commercial terms.

Management fees are a related party expense paid to the Manager and are recognised in the Statements of Comprehensive Income under 'Management fees'. Management fees payable at balance date are recognised in the Balance Sheets under 'Management fees payable'.

The Trusts may invest into other funds that are also managed by the Manager. Investments into and out of such funds are made at the prevailing unit prices at the

time of the transaction and any income earned on such investments is based on each Trust's pro rata share of units in those funds. Where the Trusts invest in other funds the management fee charged in those other funds is either not collected, or (if collected) rebated to the investing Trust. Management fee rebates received during the year are recognised in the Statements of Comprehensive Income under 'Management fee rebates'. Management fee rebates receivable at balance date are recognised in the Balance Sheets under 'Management fee rebates receivable'.

Where the Trusts invest in other funds managed by the Manager for which the Trustee is the trustee, the trustee fee charged in those other funds is rebated to the investing Trusts. Trustee fee rebates are recognised in the Statements of Comprehensive Income under 'Trustee fee rebates'. Trustee fee rebates receivable at balance date are recognised in the Balance Sheets under 'Trustee fee rebates receivable'.

5.2 Investments held with related parties

	Westpac Active Income Strategies Trust		Westpac Active Conservative Trust		Westpac Active Moderate Trust		Westpac Active Balanced Trust		Westpac Active Growth Trust	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
As at 31 March:	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Westpac Wholesale New Zealand Diversified Bond Trust	-	-	41,220	27,804	51,570	26,711	24,257	18,916	4,478	3,439
Westpac Wholesale Australasian Diversified Share Trust	-	-	11,465	7,897	29,876	15,962	31,279	25,669	15,510	13,489
Westpac Wholesale Multi Manager International Share Trust	-	-	13,482	9,788	39,229	21,798	46,233	39,256	23,303	21,607
Westpac Wholesale Alternative Investment Trust	-	-	3,760	3,607	12,075	7,518	10,175	9,341	5,310	5,395
Westpac Wholesale Corporate Bond Trust	2,657	3,658	-	-	-	-	-	-	-	-
Westpac Wholesale Defensive Yield Trust	3,074	3,233	14,187	9,915	16,705	8,915	8,029	6,412	1,315	1,156
Westpac Wholesale Enhanced Cash Trust	1,655	1,984	39,745	29,003	23,989	14,837	9,014	9,108	3,314	3,268
Westpac Wholesale Property Trust	-	-	4,289	2,929	10,669	4,954	7,360	5,252	5,834	4,858
Westpac Wholesale International Fixed Interest Trust	-	-	40,687	29,138	46,283	25,639	22,517	19,140	3,786	3,437
Westpac Mortgage Investment Fund	4,064	4,572	-	-	-	-	-	-	-	-
Westpac New Zealand Limited*	261	620	3,205	2,077	2,908	1,499	2,324	2,203	896	779
Total	11,711	14,067	172,040	122,158	233,304	127,833	161,188	135,297	63,746	57,428

* This relates to bank balances included in 'Cash and cash equivalents' in the Balance Sheets.

5. Related Parties continued

5.3 Income earned from investments held with related parties

	Westpac Active Income Strategies Trust		Westpac Active Conservative Trust		Westpac Active Moderate Trust		Westpac Active Balanced Trust		Westpac Active Growth Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
For the year ended 31 March:										
Westpac Wholesale New Zealand Diversified Bond Trust*	-	-	2,236	2,097	2,578	1,973	1,400	1,472	259	243
Westpac Wholesale Australasian Diversified Share Trust*	-	-	1,378	1,208	3,454	2,377	3,710	4,004	1,876	2,062
Westpac Wholesale Multi Manager International Share Trust*	-	-	74	1,610	(168)	3,504	397	6,654	286	3,535
Westpac Wholesale Alternative Investment Trust*	-	-	(157)	178	(383)	367	(377)	468	(209)	287
Westpac Wholesale Corporate Bond Trust*	179	237	-	-	-	-	-	-	-	-
Westpac Wholesale Defensive Yield Trust*	21	151	82	496	80	424	48	328	9	56
Westpac Wholesale Enhanced Cash Trust*	61	67	1,142	947	632	445	306	282	106	96
Westpac Wholesale Property Trust*	-	-	511	672	1,180	1,088	898	1,241	756	1,104
Westpac Wholesale International Fixed Interest Trust*	-	-	1,108	2,512	1,264	2,173	598	1,717	98	283
Westpac Mortgage Investment Fund**	123	160	-	-	-	-	-	-	-	-
Westpac New Zealand Limited***	8	12	73	68	76	67	59	70	26	29
Total	392	627	6,447	9,788	8,713	12,418	7,039	16,236	3,207	7,695

* Included in 'Net gains on financial instruments at fair value through profit or loss' in the Statements of Comprehensive Income.

** Included in 'Distribution income' in the Statements of Comprehensive Income.

*** Included in 'Interest income' in the Statements of Comprehensive Income.

6. Reconciliation of profit attributable to unitholders to net cash flow from/(used in) operating activities

	Westpac Active Income Strategies Trust		Westpac Active Conservative Trust		Westpac Active Moderate Trust		Westpac Active Balanced Trust		Westpac Active Growth Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
For the year ended 31 March:										
Profit attributable to unitholders	537	781	4,866	8,659	6,510	11,096	4,992	14,573	2,311	6,936
Non-cash items										
Unrealised gains on financial assets at fair value through profit or loss	(350)	(564)	(5,352)	(9,246)	(7,563)	(11,777)	(3,335)	(14,110)	(1,372)	(6,483)
Distribution/rebate reinvested	(6)	(6)	-	-	-	-	-	-	-	-
Movement in operating balances										
Net change in cost of financial assets at fair value through profit or loss	2,095	593	(43,402)	(18,742)	(96,499)	(29,376)	(22,435)	(11,082)	(4,829)	(3,738)
Net change in accrued income and receivables	14	(7)	-	-	-	-	-	-	-	-
Net change in payables	-	(1)	45	28	111	48	28	35	6	13
Net cash flow from/(used in) operating activities	2,290	796	(43,843)	(19,301)	(97,441)	(30,009)	(20,750)	(10,584)	(3,884)	(3,272)

7. Financial risk management

The Trust Deed requires the Manager to invest the assets of each Trust in accordance with the investment guidelines as agreed with the Trustee from time to time. The Trusts' investment activities result in the exposure to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk).

The Manager's overall investment management strategy seeks to maximise the returns derived for the level of risk to which the Trusts are exposed and seeks to minimise potential adverse effects on the Trusts' financial performance. The strategy incorporates an appropriate diversification of investments across a number of investment sectors, countries and companies primarily through investing in other unit trusts. All investments present a risk of loss of capital. The maximum exposure to unlisted unit trusts is limited to the fair value of those securities.

The Manager operates an Investment Committee and a Risk Oversight Committee. The Investment Committee regularly reviews investment policies including policies for managing financial risks. These policies are provided to the Directors of the Manager. Compliance with the Trusts' investment policies is monitored and reported to the Directors of the Manager on a quarterly basis. The Risk Oversight Committee has oversight of operational risk and the overall enterprise risk to the Manager.

The Manager uses different methods to measure and manage the various types of risk to which the Trusts are exposed. These are explained below.

(a) Credit risk

Credit risk is the risk that a counterparty or issuer of a security will be unable to pay amounts in full when they fall due.

The Trusts are primarily invested in unlisted unit trusts and therefore their direct exposure to credit risk is limited to their bank account balances held with Westpac New Zealand Limited. Westpac New Zealand Limited has a credit rating of AA- (31 March 2015: AA-) as measured by Standard & Poor's.

The Trusts are indirectly exposed to credit risk through their investments in unlisted unit trusts. The Trusts' overall investment strategy incorporates an appropriate diversification of investments so that each Trust has no significant concentration of credit risk. The Manager moderates this risk further by ensuring the following credit risk management policies are applied to the underlying unit trusts.

The Manager's policy is to ensure that investments in debt securities are investment grade as rated by a well-known rating agency. If not rated, these securities must be assessed by the Manager to be of at least investment grade quality.

The Manager has set limits for the management of counterparty risk and compliance with these limits is monitored daily.

With respect to forward currency contracts, interest rate swaps and cross currency swaps, the Manager's policy is to limit the counterparties to a group of major international banks.

All transactions in listed securities are settled upon recognised and reputable exchanges. The risk of default is considered minimal as trades are not completed if either party fails to meet its obligations.

(b) Liquidity risk

Liquidity risk is the risk that the Trusts may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Liquidity management is designed to ensure that the Trusts have the ability to generate sufficient cash in a timely manner to meet their financial commitments and normal levels of withdrawals. Each Trust has benchmark liquidity levels which are monitored and maintained given normal investment conditions. Liquidity risk is managed by holding liquid investments to enable the Trusts to meet liabilities as

they fall due and withdrawals when requested. In the event of abnormal levels of withdrawals, timing of payment may be dependent on the ability of the Trusts to realise their underlying investments on a timely basis.

Where a Trust invests into other investment funds, those underlying funds allow for withdrawals to match each Trust's daily withdrawal policy. However, underlying funds may be subject to weekly or monthly withdrawal options or discretionary redemption restrictions exercisable by the underlying manager, including the ability to suspend withdrawals or withhold varying amounts of any withdrawals requested. Refer also to Note 5 which shows the concentration of investments, in underlying unit trusts managed by the Manager.

The Manager has the ability in extraordinary situations to impose discretionary withdrawal restrictions, which include the ability to suspend withdrawals or withhold varying amounts of any withdrawal requested. It is the intention of the Manager to exercise this ability only in instances where the payment of withdrawals would put the remaining unitholders in a disadvantageous position, or if the Trusts are unable to liquidate their investments in order to pay withdrawals as they fall due. The Manager does not expect any significant levels of withdrawals in the short to medium term for any of the Trusts.

As at 31 March 2016, the Trusts held no investments that are considered illiquid (31 March 2015: nil).

Management fees payable and other payables are due for settlement within one month of balance date.

(c) Currency risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in foreign exchange rates.

The Trusts hold no monetary assets denominated in foreign currency and therefore have no direct exposure to currency risk. The Trusts are indirectly exposed to currency risk when an underlying fund has a functional currency of the New Zealand dollar but has investments that are denominated in a foreign currency. The Manager moderates this risk by applying the currency risk management policies described below within the underlying funds as appropriate.

Currency risk management is undertaken by the Manager within the guidelines agreed by the Trustee. The Manager has hedging policies and monitors foreign exchange exposures against such policies on a daily basis. The Manager may enter into foreign exchange derivative contracts both to economically hedge the foreign currency risk implicit in the value of portfolio securities denominated in foreign currency and to secure a particular exchange rate for a planned purchase or sale of securities.

(d) Cash flow and fair value interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Trusts' assets are primarily invested in unlisted unit trusts and therefore have no significant direct exposure to cash flow and fair value interest rate risk. The Trusts' direct exposure to interest rate risk is through their on call bank account balances with Westpac New Zealand Limited. The Manager moderates this risk by ensuring the Trusts' on call bank accounts are interest bearing and incorporate market linked rates of interest.

The table below summarises the sensitivity of the Trusts' direct investments to changes in interest rate movements and the impact on profit attributable to unitholders and unitholders' funds. The analysis is based on the assumptions that the relevant interest rate increased/decreased by 1% (31 March 2015: +/-1%), with all other variables held constant. This represents the Manager's best estimate of a reasonable shift in the interest rates with regard to historical volatility of those rates.

	Westpac Active Income Strategies Trust		Westpac Active Conservative Trust		Westpac Active Moderate Trust		Westpac Active Balanced Trust		Westpac Active Growth Trust	
As at 31 March:	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
+1% Change	3	6	32	21	29	15	23	22	9	8
-1% Change	(3)	(6)	(32)	(21)	(29)	(15)	(23)	(22)	(9)	(8)

7. Financial risk management continued

The sensitivity analysis does not consider the impact of the Trusts' indirect exposures to this risk and therefore will not fully indicate the total effect on the profit attributable to unitholders and unitholders' funds of future movements in interest rates. The Trusts are indirectly exposed to interest rate risk through their investments in unlisted unit trusts. The Manager moderates this risk within the underlying unit trusts by constructing diversified portfolios of selected securities, daily monitoring of positions and durations, and adherence to relevant investment policies.

(e) Price risk

Price risk is the risk that the value of the Trusts' investment portfolio will fluctuate as a result of changes in market prices whether such changes are caused by factors specific to an issuer or factors affecting all similar financial instruments traded in the market.

The Trusts are exposed to price risk through their investments in unlisted unit trusts.

	Westpac Active Income Strategies Trust		Westpac Active Conservative Trust		Westpac Active Moderate Trust		Westpac Active Balanced Trust		Westpac Active Growth Trust	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
As at 31 March:										
Volatility estimate	1.19%	1.76%	1.28%	1.66%	2.12%	2.58%	3.09%	3.52%	3.80%	4.29%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Underlying unit prices increase	215	348	2,233	1,990	5,096	3,256	5,077	4,689	2,477	2,431
Underlying unit prices decrease	(215)	(348)	(2,233)	(1,990)	(5,096)	(3,256)	(5,077)	(4,689)	(2,477)	(2,431)

Price risk is moderated by diversification and by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits. Overall market positions are monitored on a daily basis.

The table on the below summarises the Trusts' sensitivity to a possible shift in the unit prices of each Trust's underlying sector funds. The Manager has assigned volatility ratings to each Trust's underlying sector funds and each Trust's volatility estimate is based on its average weighted exposure to the underlying funds as at balance date.

If the unit prices of the unlisted unit trusts in which the Trusts invest had increased or decreased by the Manager's estimates with all other variables held constant, this would have increased/(decreased) profit attributable to unitholders and unitholders' funds by approximately:

8. Fair value hierarchy

The Manager classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: Inputs for assets or liabilities that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

The determination of what constitutes 'observable' requires significant judgement by the Manager. The Manager considers data to be observable when it is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market.

The Trusts' are primarily invested in unlisted unit trusts. The fair value of investments in unlisted unit trusts is classified as Level 2 as the valuations are determined by reference to the redemption price per unit of the unlisted unit trust. The units of unlisted unit trusts are not publicly traded; redemption can only be made on the redemption dates and is subject to the required notice periods specified in the Trust Deed of the unlisted unit trusts. The rights of the Trusts to request redemption of their investments may vary and as a result the carrying values of the investments in unlisted unit trusts may not be indicative of the values ultimately realised on redemption. In addition, the Trusts may be materially affected by the actions of other investors in the unlisted unit trusts in which the Trusts have invested. The Manager believes the Trusts could have redeemed their investments in unlisted unit trusts at the net asset value per unit at balance date.

The Trusts hold no financial assets that are classified as Level 1 or Level 3 within the fair value hierarchy. There have been no transfers across Levels 1, 2 or 3 during the year ended 31 March 2016 (31 March 2015: none).

The carrying value of the Trusts' assets and liabilities carried at amortised cost represent or approximate fair value. These items are short-term in nature and of a high credit rating.

9. Capital management

The Trusts' capital is represented by unitholders' funds. The amount of unitholders' funds can change significantly on a daily basis as the Trusts are subject to daily subscriptions and redemptions which are at the discretion of the unitholders.

The Manager's objective when managing capital is to safeguard the Trusts' ability to continue as a going concern in order to provide returns for unitholders and to maintain a strong capital base to support the development of the investment activities of the Trusts. In order to maintain or adjust the capital structure, the Manager's policy is to perform the following:

- (a) monitor the level of daily subscriptions and redemptions relative to the assets it expects to be able to liquidate within 7 days; and
- (b) redeem and issue new units in accordance with the constitutional documents of the Trust, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Trusts do not have any externally imposed capital requirements and units may be redeemed on any business day by giving written notice in accordance with the Trust Deed, prospectus and investment statement.

None of the Trustee, the Manager, Westpac Banking Corporation, or any members of their groups of companies or any other person, promises or guarantees the units offered by the Trusts the performance or returns of the Trusts, or the repayment of capital.

10. Events occurring after the balance date

The Manager was granted a Managed Investment Scheme manager license by the Financial Markets Authority effective from 1 April 2016. The Trusts were opted into the Financial Markets Conduct Act regime on 23 May 2016. These events have not impacted the financial position of the Trusts disclosed in the Balance Sheets as at 31 March 2016 or the results and cash flows of the Trusts for the year ended on that date.

The Westpac Active Conservative Trust, Westpac Active Moderate Trust, Westpac Active Balanced Trust and the Westpac Active Growth Trust gain their exposure to alternative investments through an indirect investment in the Advance Alternative Strategies Multi-Blend Fund ('Fund') via an investment in the Westpac Wholesale Alternative Investment Trust. Please refer to Note 5.2 which details the investments in the Westpac Wholesale

Alternative Investment Trust. On 14 June 2016 Advance Asset Management Limited ('Advance'), the Responsible Entity of the Fund, notified the Manager of the termination of the Fund, with immediate effect.

Advance has advised there is no concern regarding the quality of the Fund's underlying assets and that they expect to pay up to 90% of its value by 31 October 2016, and the remainder by April 2017.

The events described above are not expected to impact the Trusts and no other significant events have occurred since balance date which would impact the Trusts or the Financial Statements of the Trusts.

