

Westpac Active Series

Conservative Trust

Fund Update for the quarter ended:

31 March 2019

This fund update was first made publicly available on 1 May 2019.

What is the purpose of this update?

This document tells you how the Conservative Trust¹ 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.

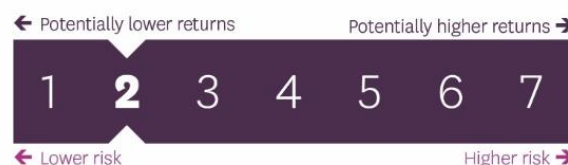
Description of this fund

The Conservative Trust aims to provide stable returns over the short to medium term. The fund invests primarily in income assets but also has an allocation to growth assets. Volatility is expected to be higher than the Income Strategies Trust but lower than the Moderate Trust in the Westpac Active Series.

Total value of the fund	\$ 343,223,943
The date the fund started	1 August 1992

What are the risks of investing?

Risk indicator for the Conservative Trust.²



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 2019. 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.

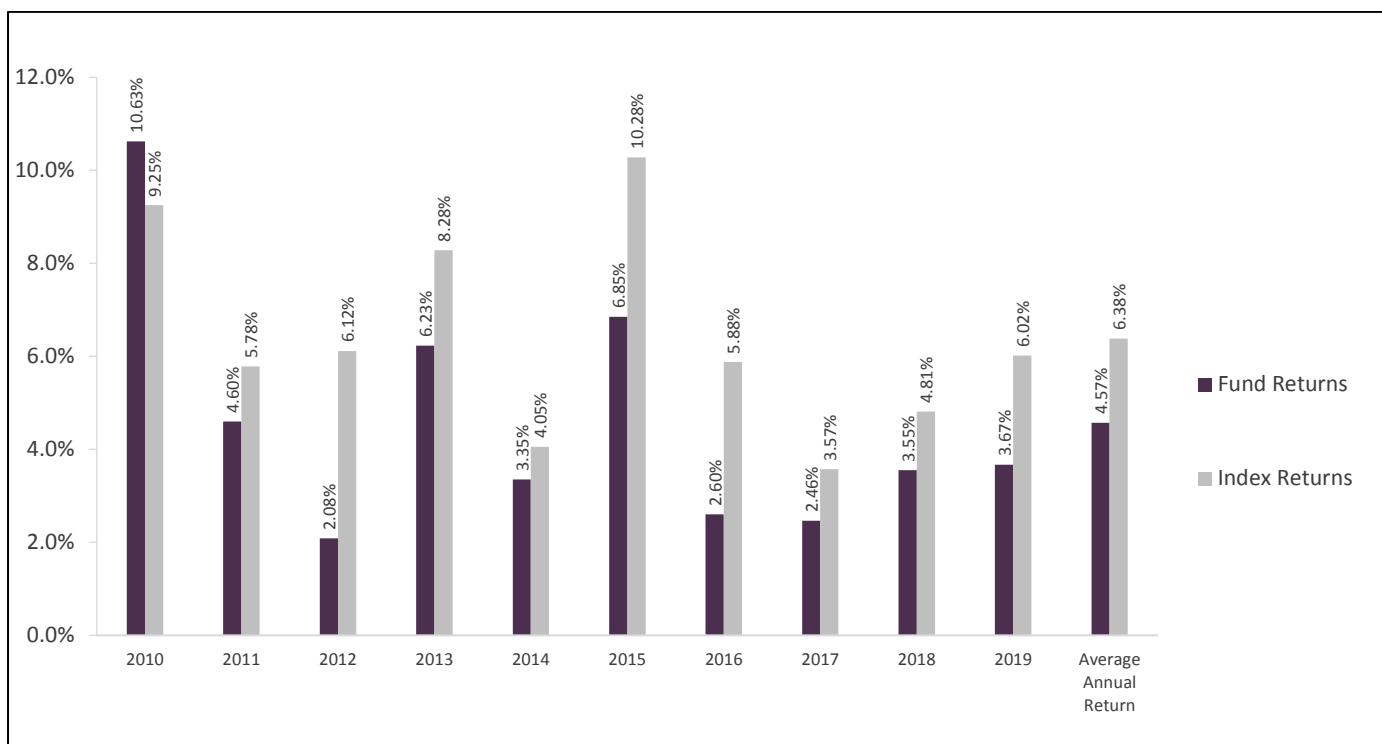
How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	3.82%	3.67%
Annual return (after deductions for charges but before tax)	4.79%	4.58%
Composite of market index annual return (reflects no deductions for charges and tax) and peer group index annual return (after deductions for charges but before tax) ³	6.09%	6.02%

The composite index return reflects a composite of benchmark index returns, weighted for the fund's target asset allocation. The benchmark indices used for each asset class are defined in the Statement of Investment Policy and Objectives (SIPO).

Additional information about the market indices and the peer group index is available in the SIPO on the offer register at disclose-register.companiesoffice.govt.nz.

Annual return graph³



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 2019.

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 Conservative Trust are charged fund charges. In the year to 31 March 2018, these were:

	% of net asset value
Total fund charges	1.12%
Which are made up of	
Total management and administration charges	1.12%
Including -	
Manager's basic fee	1.08%
Other management and administration charges	0.04%
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.

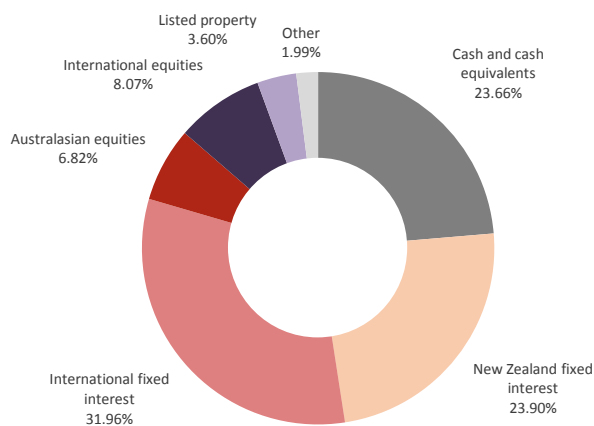
Example of how this applies to an investor

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 \$367 (that is 3.67% of his initial \$10,000). Jason did not pay anything in other charges. This gives Jason a total return after tax of \$367 for the year.

What does the fund invest in?

This shows the types of assets that the fund invests in.^{4 5}

Actual investment mix



Target investment mix

Cash and cash equivalents	23.00%
New Zealand fixed interest	24.00%
International fixed interest	33.00%
Australasian equities	7.00%
International equities	8.00%
Listed property	3.00%
Other ⁶	2.00%

Top 10 investments

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	US 5YR Note (CBT)	3.56%	International fixed interest	United States of America	
2	NZ Government Bond 4.5% 15/04/2027	1.67%	New Zealand fixed interest	New Zealand	AA+
3	Westpac 32 day Notice Deposit	1.37%	Cash and cash equivalents	New Zealand	AA-
4	NZ Government Bond 2.75% 15/04/2037	1.35%	New Zealand fixed interest	New Zealand	AA+
5	NZ Government Inflation Index Bond 2% 20/09/2025	1.24%	New Zealand fixed interest	New Zealand	AA+
6	NZ Government Bond 5.5% 15/04/2023	1.07%	New Zealand fixed interest	New Zealand	AA+
7	K2 Alternative Strategies NZ Portfolio	1.02%	Other ⁵	Cayman Islands	
8	A2 Milk Company Ltd	0.85%	Australasian equities	New Zealand	
9	NZ Government Bond 3% 20/04/2029	0.77%	New Zealand fixed interest	New Zealand	AA+
10	BNZ 180 Day Rolling Deposit Account	0.71%	Cash and cash equivalents	New Zealand	AA-

The top 10 investments make up 13.61% of the net asset value of the fund.⁷

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	2 years 1 month	Head of Customer Proposition (current)	7 years 5 months
2	Matthew Goldsack	Head of Investment Solutions	10 years 3 months	Head of Research, AXA Global Investors	7 years 10 months
3	Francois Richeboeuf	Senior Portfolio Manager	8 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	17 years 7 months	Investment Consultant, Mercer	2 years 4 months
5	Stephen Hong	Senior Portfolio Manager	6 years 6 months	Portfolio Manager, AXA Global Investors	5 years 9 months

Further information

You can also obtain this information, the PDS for the Westpac Active Series, and some additional information from the offer register at disclose-register.companiesoffice.govt.nz.

Notes

1. The fund is offered under the Westpac Active Series as the Westpac Active Conservative Trust (Conservative Trust).
2. 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.
3. The return on the composite index has been used in the following ways, because there is no appropriate market index for the exposure to Other assets: in the How has the fund performed? table, and in the Annual Return Graph Index bars, applicable from 1 April 2016. A composite index may be a less reliable indicator of performance than an appropriate market index. The return for the peer group index used in the composite index and reflected in the table and the bar graph is net of fund charges and trading expenses (if any) but before tax.
4. For further information on each of the asset classes refer to the PDS and the SIPO.
5. "Other" represents investments in hedge funds.
6. "Other" is comprised of Alternative Investments, and can include hedge funds and absolute return funds.
7. The top 10 investments have been calculated excluding cash and cash equivalents held for operational and hedging purposes.