

# Westpac Premium Investment Funds

## International Diversified Bond Fund

### Fund Update for the quarter ended:

**30 September 2023**

This fund update was first made publicly available on 30 October 2023.

#### 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 (**BTNZ**) 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 was established with the aim of providing 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. The fund closed to new investment on 8 September 2023.

As at 30 September 2023, and subject to receiving certain prior confirmations, BTNZ intends resolving on 30 November 2023 to wind up the Westpac Premium Investment Funds (of which the fund forms part) effective 30 November 2023.

|                           |                |
|---------------------------|----------------|
| Total value of the fund   | \$ 11,176,493  |
| The date the fund started | 1 October 2001 |

#### What are the risks of investing?

Risk indicator for the International Diversified Bond Fund.<sup>1</sup>



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-profiler](https://sorted.org.nz/tools/investor-profiler)

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 30 September 2023. 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 (if any).

As noted above, subject to prior confirmations BTNZ intends resolving on 30 November 2023 to wind up the Westpac Premium Investment Funds. The wind-up would involve liquidating the fund's investments and distributing them to remaining investors in proportion to their unit holdings. If the wind-up occurred during a market downturn then that would adversely impact the amount available for distribution. Investors have been issued notice of the wind-up proposal.

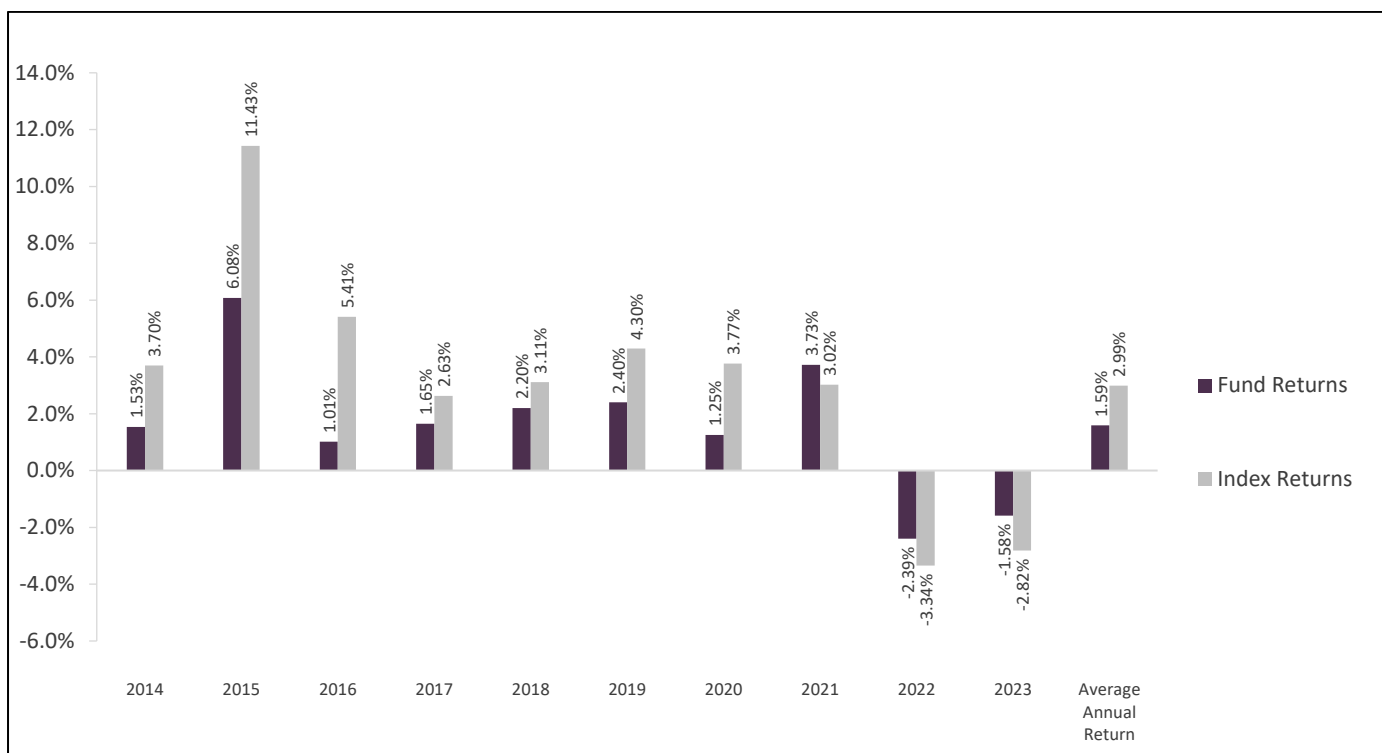
#### How has the fund performed?

|   | Average over past 5 years | Past year |
|---|---------------------------|-----------|
| Annual return (after deductions for charges and tax)                    | 0.47%                     | 2.02%     |
| Annual return (after deductions for charges but before tax)             | 0.64%                     | 2.79%     |
| Market index annual return (reflects no deductions for charges and tax) | 0.75%                     | 2.87%     |

The market index return reflects the returns for the Bloomberg Global Corporate 1-10 year Index (100% hedged to NZD) and the Bloomberg Global Treasury 1-20 year Index (100% hedged to NZD).

Additional information about the market index is available in the Statement of Investment Policy and Objectives (SIPO) on the offer register at [disclose-register.companiesoffice.govt.nz](https://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 30 September 2023.

**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 2023, these were:

|  | % of net asset value          |
|--|-------------------------------|
| <b>Total fund charges<sup>2</sup></b>              | <b>0.52%</b>                  |
| Which are made up of                               |                               |
| <b>Total management and administration charges</b> | <b>0.52%</b>                  |
| Including -  |                               |
| Manager's basic fee                                | 0.42%                         |
| Other management and administration charges        | 0.10%                         |
| <b>Total performance-based fees</b>                | <b>0.00%</b>                  |
| <b>Other charges</b>                               | <b>\$ amount per investor</b> |
| Other Charges                                      | \$0.00                        |

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

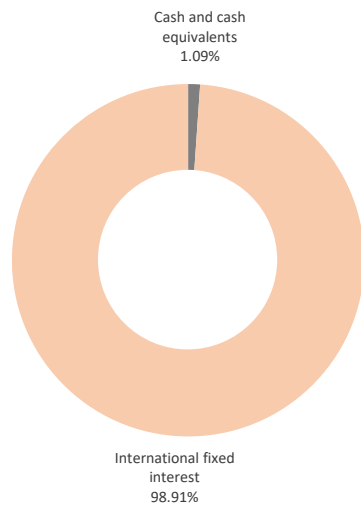
## Example of how this applies to an investor

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 \$202 (that is 2.02% of his initial \$10,000). Jason did not pay anything in other charges. This gives Jason a total return after tax of \$202 for the year.

## What does the fund invest in?

This shows the types of assets that the fund invests in.<sup>3</sup>

### Actual investment mix<sup>4</sup>



### Target investment mix

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

### Top 10 investments

|    | Name  | % of fund net assets | Type                         | Country                  | Credit rating (if applicable) |
|----|---|----------------------|------------------------------|--------------------------|-------------------------------|
| 1  | US 5YR Note   | 7.48%                | International fixed interest | United States of America | AA+                           |
| 2  | US 2YR Note   | 5.74%                | International fixed interest | United States of America | AA+                           |
| 3  | Euro Schatz Future  | 4.55%                | International fixed interest | Germany                  | AAA                           |
| 4  | Government Of The United States Of America 3.875% 30-Nov-2027 | 1.12%                | International fixed interest | United States of America | AA+                           |
| 5  | Government Of The United States Of America 0.0% 21-Dec-2023   | 1.12%                | International fixed interest | United States of America | AA+                           |
| 6  | Government Of Japan 0.0% 25-Dec-2023                          | 0.97%                | International fixed interest | Japan                    | A+                            |
| 7  | Government Of Japan 0.1% 20-Dec-2026                          | 0.96%                | International fixed interest | Japan                    | A+                            |
| 8  | Government Of Mexico 7.5% 03-Jun-2027                         | 0.80%                | International fixed interest | Mexico                   | BBB+                          |
| 9  | Government Of Mexico 8.5% 31-May-2029                         | 0.68%                | International fixed interest | Mexico                   | BBB+                          |
| 10 | Government Of Japan 2.3% 20-Mar-2040                          | 0.68%                | International fixed interest | Japan                    | A+                            |

The top 10 investments make up 24.10% of the net asset value of the fund.<sup>5</sup>

## Currency Hedging

The fund has exposure to foreign currencies. As at 30 September 2023, the actual currency hedging for the fund's foreign currency exposure was 98% hedged (benchmark 100%).

Additional information about the currency hedging policy can be found in the SIPO which is available on the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

## Key personnel

|   | Name                  | Current position   | Time in current position | Previous or other current position                     | Time in previous or other current position |
|---|-----------------------|--|--------------------------|--|--|
| 1 | Nigel Jackson         | Chief Executive Officer – BT Funds Management (NZ) Limited | 1 year 2 months          | Head of Investments                                    | 1 year 6 months                            |
| 2 | Philip Houghton-Brown | Head of Investment Solutions                               | 3 years 0 month          | Chief Investment Officer / Head of Investments, Mercer | 8 years 2 months                           |
| 3 | Angelika Sansom       | Investment Analytics Manager                               | 22 years 1 month         | Investment Consultant, Mercer                          | 2 years 4 months                           |
| 4 | Nirav Shah            | Portfolio Manager - Sector Funds                           | 4 years 11 months        | Cash Manager   | 10 years 3 months                          |
| 5 | Anna Boyle            | Portfolio Manager - Sector Funds                           | 1 year 4 months          | Investment Manager, Trust Management                   | 1 year 2 months                            |

## Further information

You can also obtain this information and some additional information from the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

## Notes

1. The risk indicator for the fund is calculated based on the volatility of returns over the past five years, which may not be a full investment cycle. In some cases the risk indicator might differ 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 has had unusually low or high volatility the risk indicator presented in this fund update (or the PDS) may provide a less reliable indication of a fund's potential future volatility.
2. The amounts specified include GST, where applicable.
3. For further information on each of the asset classes refer to the PDS and the SIPO.
4. For the reporting of the Actual investment mix, cash and cash equivalents held for operational purposes at the fund level are shown as an investment in the cash and cash equivalents asset class at the fund level. However, cash and cash equivalents held for operational and hedging purposes at an asset class level (in the underlying funds) are assigned to the asset class to which they relate.
5. The top 10 investments have been calculated excluding cash and cash equivalents held for operational and hedging purposes.