

Westpac Cash PIE Fund (the 'Fund') Term Sheet



Parties.

Manager & Issuer.

BT Funds Management (NZ) Limited ('we', 'us' and 'our'). We are the funds management arm of Westpac.

Registrar & Administration Manager.

Westpac New Zealand Limited ('Westpac').

Trustee.

Trustees Executors Limited.

Investors.

You can invest in the Fund by opening a Westpac Bonus Saver PIE account at any Westpac branch.

If you're an existing Westpac customer, you can also open an account over the phone by calling **0800 WESTPAC (0800 937 8722)**.

If you're not an existing Westpac customer, you'll need to comply with Westpac's account opening terms and conditions before you can invest in the Fund.

You need to be a New Zealand resident individual, organisation or trust to invest in the Fund.

Description of Investment.

Introduction.

An investment in the Fund gives you the features of an on-call savings account with Westpac but with potentially greater after-tax returns. If your Prescribed Investor Rate ('PIR') is less than your Income Tax Rate, you could save on tax.

You can make investments into your account through online banking, Phone Banking, ATMs, Salary Splitter, a sweep over facility, branch deposit boxes, Automatic Payments, Direct Credits and Bill Payments. You can also make investments into and withdrawals from your Westpac Bonus Saver PIE account over the counter at a branch.

Investment type.

The Fund is a unit trust that is registered as a Portfolio Investment Entity ('PIE') for tax purposes. This can allow tax to be minimised for a range of investors. You buy units in the Fund for \$1.00 each. So a \$500 investment means you hold 500 units. The Fund invests solely in a New Zealand dollar, interest bearing account with Westpac. Trustees Executors Limited, as the independent trustee, holds the Fund's assets on behalf of all investors.

Returns.

To reward regular savings for longer term goals you receive:

- A base rate of return on your account balance no matter how many withdrawals or investments you make from or into your account.
- An additional bonus rate of return on your account balance if the balance on the last day of the month is at least \$20 greater than the balance on the last day of the prior month. The \$20 excludes returns earned on the account and any transaction or service fees charged to the account.

You can view the current rates of return (before tax) at westpac.co.nz/westpacbonusaverpie.

Returns calculated daily and paid monthly.

Your returns are calculated on a per annum basis on the daily balance of your account. Returns (including any bonus returns) net of tax are paid into your account (or another nominated Westpac account) on the last day of each month.

Special rates.

We may offer special rates from time to time in relation to investments in the Fund on such terms and conditions as we decide.

Minimum investment.

There is no minimum investment amount. If your account balance is \$0 (being 0 units), you will not have an interest in the Fund. This means that you will not be a unitholder and the provisions that apply to unitholders under the Westpac Banking Funds Trust Deed (the 'Trust Deed') will not apply to you while your account balance is \$0 (being 0 units).

Fees.

Electronic statements are free. Paper statements are \$1.50 per statement printed. Withdrawals in branch are \$2.50 per withdrawal. All online deposits and withdrawals are free. These fees will be waived for customers aged under 19 years, 65 years or older or who have their NZ Super credited to their Westpac Bonus Saver PIE account. Please refer to the Westpac Transaction and Service fees brochure for more information.

Terms and conditions and privacy.

Your investment is subject to these terms, the Westpac Banking Funds Trust Deed (available at westpac.co.nz/trustdeed) and Westpac's General Terms and Conditions (available at westpac.co.nz/termsandconditions), any of which may change from time to time. These documents are also available from any Westpac branch.

A reference to 'Westpac' in Westpac's General Terms and Conditions includes us.

The Westpac Privacy Policy (available at westpac.co.nz/privacy) explains how we are committed to your privacy.

Withdrawals and Tax.

Withdrawals.

You can generally withdraw all or part of your investment at any time, subject to maintaining the minimum investment stipulated under Minimum Investment for each account.

Where it is in the interests of investors or where the Fund's eligibility for PIE status would be threatened, we can suspend or delay withdrawals.

Tax.

The Fund is a PIE for tax purposes. If your PIR is lower than your Income Tax Rate, you'll pay less tax on your savings in a PIE than in a standard savings account (unless your PIR is 0% or you are a trust that elects a PIR less than 28%).

You must advise us of your IRD number when opening your account. You must also advise us of your PIR otherwise your returns will be taxed at the default PIR (currently 28%).

The Fund will deduct and pay tax from your return payments at the most recent PIR that you (or Inland Revenue) have notified to us.

For tax years ending on or before 31 March 2020, if you were eligible to elect a lower PIR and notified a higher PIR to us or did not advise a change to a lower PIR, Inland Revenue will not refund any excess tax paid for those years. If you notified a lower PIR to us or did not advise a change to a higher PIR, you may be required to file an income tax return for the relevant tax year and pay any tax shortfall at your marginal tax rate plus any interest and penalties. You will receive a tax credit for tax paid by investment funds on your behalf.

From 1 April 2020, if the PIR you advised us was incorrect, then following the end of any tax year, Inland Revenue will refund any overpaid PIE tax if your PIR was too high, or require you to pay any PIE tax shortfall at the correct PIR if your PIR was too low. Information to work out your correct PIR is available on the IRD website at ird.govt.nz (search for 'correct PIR').

If your PIR changes, you must notify us as soon as possible. While we cannot apply your new PIR to returns already taxed, it is important to correct your PIR for any future returns.

The Fund treats joint investors as a single investor with a PIR equal to the highest PIR of all joint investors. Each joint investor must provide us with their IRD number and PIR. If any joint investor does not provide us with their PIR, tax will be deducted at the default PIR.

If the Fund fails to comply with PIE eligibility criteria (as defined in the applicable tax legislation) and does not remedy the failure within the period permitted, the Fund may lose its PIE status. If this happens, the Fund will be taxed at 28% on its taxable income and any distributions and redemptions will become taxable to you at your Income Tax Rate, with a tax credit available for any imputation credits. We have implemented processes to monitor ongoing PIE eligibility compliance, and have a number of powers available to us to proactively manage this risk.

In some cases, you could pay more tax on your investment in the Fund than if you invest in a regular savings account. For more information on the PIE tax benefits and disadvantages including how these apply to companies, please see westpac.co.nz/piebenefits.

Further information on PIEs can be found at ird.govt.nz (search for 'PIE for investors').

Westpac, BT Funds Management (NZ) Limited and Trustees Executors Limited do not accept any responsibility for the tax consequences of your investment in the Fund. You should seek independent professional advice as to your particular tax position.

Additional Information.

Westpac disclosure statement.

Important information about Westpac's financial position can also be found in the current disclosure statement issued by Westpac. You are entitled to a copy of that disclosure statement on request at any branch of Westpac, free of charge. A copy is also available at westpac.co.nz (click on the link 'Disclosure Statements' which is located in the footer of the homepage).

Financial statements.

A copy of the most recent financial statements is available on the Westpac website (westpac.co.nz/pieannualreport).

Consider carefully.

Investment decisions are very important. They often have long-term consequences. Read these terms and Westpac's General Terms and Conditions carefully, westpac.co.nz/overdraftsavingstransactions and the Trust Deed also provide more detailed information. Ask questions. Seek advice before committing yourself.

Changes to terms.

We may change the terms and conditions that apply to investments in the Fund by giving notice at least 30 days in advance in accordance with Westpac's General Terms and Conditions.

In the unlikely event that our deposit agreement with Westpac is terminated or we ever wish to change the investment policy of the Fund so that the Fund is no longer required to invest in a Westpac deposit, we will give you at least 12 months notice of such change.

Westpac's and our obligations.

Investments made in the Fund do not represent bank deposits or other liabilities of Westpac Banking Corporation ABN 33 007 457 141 or Westpac. The Fund however, invests directly in a New Zealand dollar, interest bearing account with Westpac. We and/or Westpac may receive a commercial benefit from this arrangement.

The ultimate holding company of BT Funds Management (NZ) Limited is Westpac Banking Corporation. None of Westpac Banking Corporation, Westpac, BT Funds Management (NZ) Limited, any other member of the Westpac group of companies or Trustees Executors Limited guarantees the Fund's performance, returns or repayment of capital. Investments in the Fund are subject to investment and other risks, including possible delays in payment of withdrawal amounts in some circumstances, and loss of investment value including principal invested. The Fund is not offered, and this term sheet does not constitute an offer, in any jurisdiction other than in New Zealand.

This term sheet is dated 26 May 2023.