

Westpac Premium Investment Funds

International Diversified Share Fund

Fund Update for the quarter ended:

31 December 2020

This fund update was first made publicly available on 15 February 2021.

What is the purpose of this update?

This document tells you how the International Diversified Share 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 International Diversified Share Fund aims to provide capital growth over the long term by investing primarily in a diversified portfolio of listed international equities. The primary areas of investment are North America, United Kingdom, Europe and the Asia-Pacific region (and may include emerging markets).

| | |
|---------------------------|---------------|
| Total value of the fund | \$ 60,348,542 |
| The date the fund started | 10 June 2008 |

What are the risks of investing?

Risk indicator for the International Diversified Share 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 December 2020. 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) | 9.58% | 11.53% |
| Annual return (after deductions for charges but before tax) | 10.70% | 12.82% |
| Market index annual return (reflects no deductions for charges and tax) | 11.02% | 9.59% |

The market index return reflects the returns for the MSCI World ex-Australia Index (60% hedged on a before tax basis to NZD) and the MSCI Emerging Market Index (unhedged).

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.

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 December 2020.

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 Share Fund are charged fund charges. In the year to 31 March 2020, these were:

| | % of net asset value |
|--|-------------------------------|
| Total fund charges² | 1.47% |
| Which are made up of | |
| Total management and administration charges | 1.47% |
| Including - | |
| Manager's basic fee | 1.33% |
| 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.

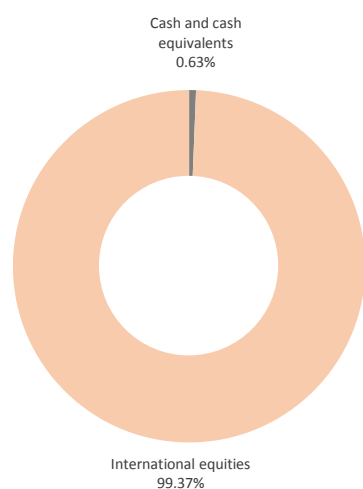
Example of how this applies to an investor

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 \$1,153 (that is 11.53% of his initial \$10,000). Jason did not pay anything in other charges. This gives Jason a total return after tax of \$1,153 for the year.

What does the fund invest in?

This shows the types of assets that the fund invests in.³

Actual investment mix⁴



Target investment mix

| | |
|------------------------|---------|
| International equities | 100.00% |
|------------------------|---------|

Top 10 investments

| | Name | % of fund net assets | Type | Country | Credit rating (if applicable) |
|----|--|----------------------|------------------------|---------------------------|-------------------------------|
| 1 | S&P500 E-Mini Future | 1.69% | International equities | United States of America | |
| 2 | Alphabet Inc. Class A | 1.38% | International equities | United States of America | |
| 3 | Apple Inc. | 1.27% | International equities | United States of America | |
| 4 | Microsoft Corporation | 1.11% | International equities | United States of America | |
| 5 | Taiwan Semiconductor Manufacturing Co., Ltd. | 1.07% | International equities | Taiwan, Province of China | |
| 6 | Facebook, Inc. Class A | 0.98% | International equities | United States of America | |
| 7 | Accenture Plc Class A | 0.94% | International equities | United States of America | |
| 8 | Samsung Electronics Co., Ltd. | 0.89% | International equities | Korea, Republic of | |
| 9 | Charles Schwab Corporation | 0.88% | International equities | United States of America | |
| 10 | Amazon.com, Inc. | 0.78% | International equities | United States of America | |

The top 10 investments make up 10.99% of the net asset value of the fund.⁵

Currency Hedging

The fund has exposure to foreign currencies. As at 31 December 2020, the actual currency hedging for the fund's foreign currency exposure was 50% hedged (benchmark 51%).

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.

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 | 3 years 10 months | Head of Customer Proposition | 7 years 7 months |
| 2 | Philip Houghton-Brown | Head of Investment Solutions | 0 year 4 months | Chief Investment Officer / Head of Investments, Mercer | 8 years 2 months |
| 3 | Francois Richeboeuf | Senior Portfolio Manager | 10 years 2 months | Acting Head of Investment Solutions | 0 year 8 months |
| 4 | Angelika Sansom | Investment Analytics Manager | 19 years 4 months | Investment Consultant, Mercer | 2 years 4 months |
| 5 | Anna Boyle | Portfolio Manager | 10 years 10 months | 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. 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.