

Westpac Retirement Plan

Accumulation Portfolio

Fund Update for the year ended:

31 March 2017

This fund update was first made publicly available on 30 June 2017.

What is the purpose of this update?

This document tells you how the Accumulation Portfolio 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.

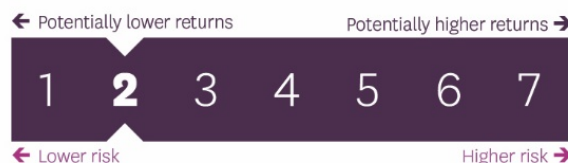
Description of this fund

The Accumulation Portfolio aims to provide stable returns over the short to medium term. The Accumulation Portfolio invests in cash and a diversified range of income assets. Volatility is expected to be the lowest of the Portfolios in the Westpac Retirement Plan.

| | |
|---------------------------------|---------------|
| Total value of the fund | \$ 18,340,998 |
| Number of investors in the fund | 370 |
| The date the fund started | 18 March 1980 |

What are the risks of investing?

Risk indicator for the Accumulation Portfolio.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 March 2017. 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.

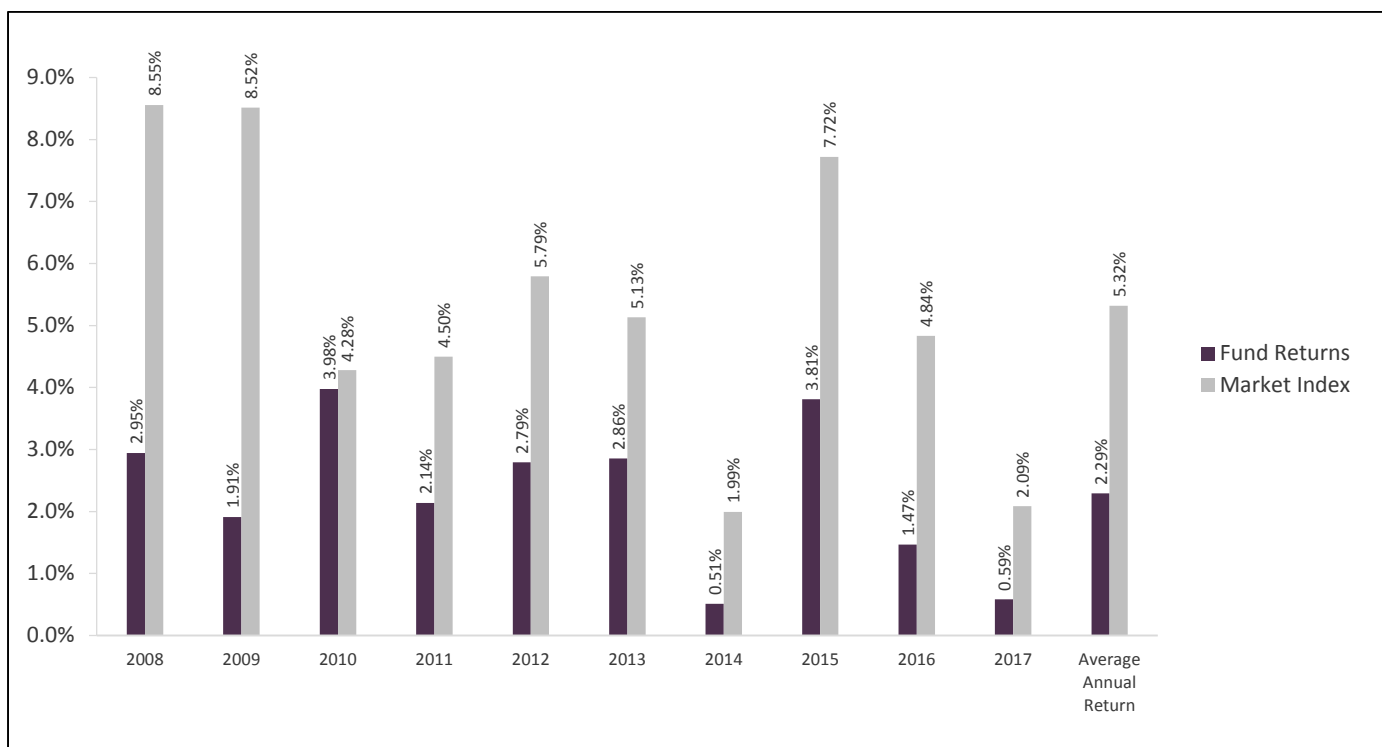
How has the fund performed?

| | Average over past 5 years | Past year |
|---|---------------------------|-----------|
| Annual return (after deductions for charges and tax) | 1.84% | 0.59% |
| Annual return (after deductions for charges but before tax) | 2.56% | 0.82% |
| Market index annual return (reflects no deductions for charges and tax) | 4.33% | 2.09% |

The market 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 index is available in the SIPO on the offer register at companiesoffice.govt.nz/disclose.

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 March 2017.

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 Accumulation Portfolio are charged fund charges. In the year to 31 March 2017, these were:

| | % of net asset value |
|--|-------------------------------|
| Total fund charges | 1.89% |
| Which are made up of | |
| Total management and administration charges | 1.89% |
| Including - | |
| Manager's basic fee ² | 1.75% |
| Other management and administration charges | 0.14% |
| Total performance-based fees | 0.00% |
| Other charges | \$ amount per investor |
| Membership Fee ² | \$55.12 |

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

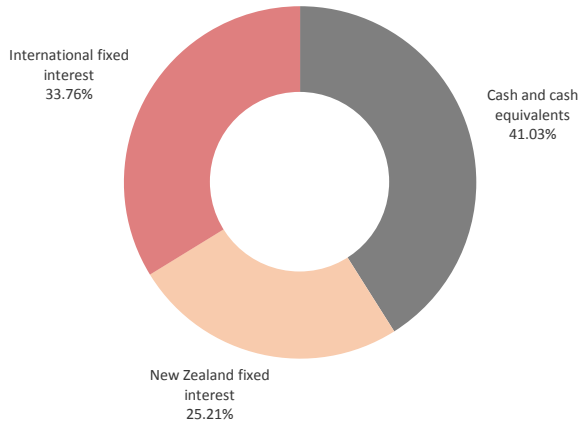
Example of how this applies to an investor

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 \$59 (that is 0.59% of his initial \$10,000). Jason also paid \$55 in other charges. This gives Jason a total return after tax of \$4 for the year.

What does the fund invest in?

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

Actual investment mix



Target investment mix

| | |
|------------------------------|--------|
| Cash and cash equivalents | 40.00% |
| New Zealand fixed interest | 25.00% |
| International fixed interest | 35.00% |

Top 10 investments

| | Name | % of fund net assets | Type | Country | Credit rating (if applicable) |
|----|--|----------------------|------------------------------|--------------------------|-------------------------------|
| 1 | NZ Government Bond 5.5% 15/04/2023 | 2.11% | New Zealand fixed interest | New Zealand | AA+ |
| 2 | NZ Government Bond 6% 15/05/2021 | 1.91% | New Zealand fixed interest | New Zealand | AA+ |
| 3 | 5Y T-Note (CBT) Jun 17 | 1.86% | International fixed interest | United States of America | |
| 4 | Westpac 32 day Notice Deposit | 1.55% | Cash and cash equivalents | New Zealand | AA- |
| 5 | NZ Government Bond 4.5% 15/04/2027 | 1.27% | New Zealand fixed interest | New Zealand | AA+ |
| 6 | BNZ 90 Day Rolling Deposit Account | 1.25% | Cash and cash equivalents | New Zealand | AA- |
| 7 | 3Y Australia T-Bond (SFE) Jun 17 | 1.04% | International fixed interest | Australia | |
| 8 | ANZ Call Account | 1.00% | Cash and cash equivalents | New Zealand | AA- |
| 9 | Government Of Australia 4.5% 15-Apr-2020 | 0.97% | International fixed interest | Australia | AAA |
| 10 | NZ Local Government Funding Agency 5.5% 15/04/2023 | 0.69% | New Zealand fixed interest | New Zealand | AA+ |

The top 10 investments make up 13.65% of the net asset value of the fund.⁴

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 | 0 year 1 month | Head of Customer Proposition (current) | 5 years 5 months |
| 2 | Matthew Goldsack | Head of Investment Solutions | 8 years 3 months | Head of Research, AXA Global Investors | 7 years 10 months |
| 3 | Francois Richeboeuf | Senior Portfolio Manager | 6 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 | 15 years 7 months | Investment Consultant, Mercer | 2 years 4 months |
| 5 | Stephen Hong | Senior Portfolio Manager | 4 years 6 months | Portfolio Manager, AXA Global Investors | 5 years 9 months |

Further information

You can also obtain this information, the SIPO for the Westpac Retirement Plan, and some additional information from the offer register at companiesoffice.govt.nz/disclose.

Notes

1. The risk category for the fund is calculated based on the volatility of past returns over five years and this does not represent a full investment cycle. 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 category presented in a fund update may not reflect the fund's future volatility.
2. Members receive rebates on the Manager's basic fee. Members with an account balance of less than \$12,000 have an effective fee of 1.50%. Members with a balance over \$12,000 have an effective fee of 1.00%. There are additional rebates for Members with balances over \$255,000. Other charges are the Administration fee, which is the total of the weekly fixed dollar charges for membership in the Westpac Retirement Plan. You will pay this fee only once each week even if you are invested in multiple funds within the Westpac Retirement Plan. This fee may be waived if you have an Account balance of more than \$12,000.
3. For further information on each of the asset classes refer to the SIPO.
4. The top 10 investments have been calculated excluding cash and cash equivalents held for operational and hedging purposes.