Westpac KiwiSaver Scheme

Defensive Conservative Fund

Fund Update for the quarter ended:

30 September 2026

This fund update was first made publicly available on 29 October 2026.

What is the purpose of this update?

This document tells you how the Defensive Conservative Fund[1] has performed and what fees were charged. The document will help you to compare the fund with other funds. BT Funds Management (NZ) Limited[2] 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 Defensive Conservative Fund aims to provide stable returns over the short to medium term. The fund invests primarily in income assets but also has a 20% target allocation to growth assets. Volatility is expected to be higher than the Cash Fund but lower than the Conservative Fund in the Westpac KiwiSaver Scheme.

Total value of the fund	$ 246,151,470
Number of investors in the fund	12,215
The date the fund started	2 July 2014

What are the risks of investing?

Risk indicator for the Defensive Conservative Fund.[3]



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

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 2026. 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.

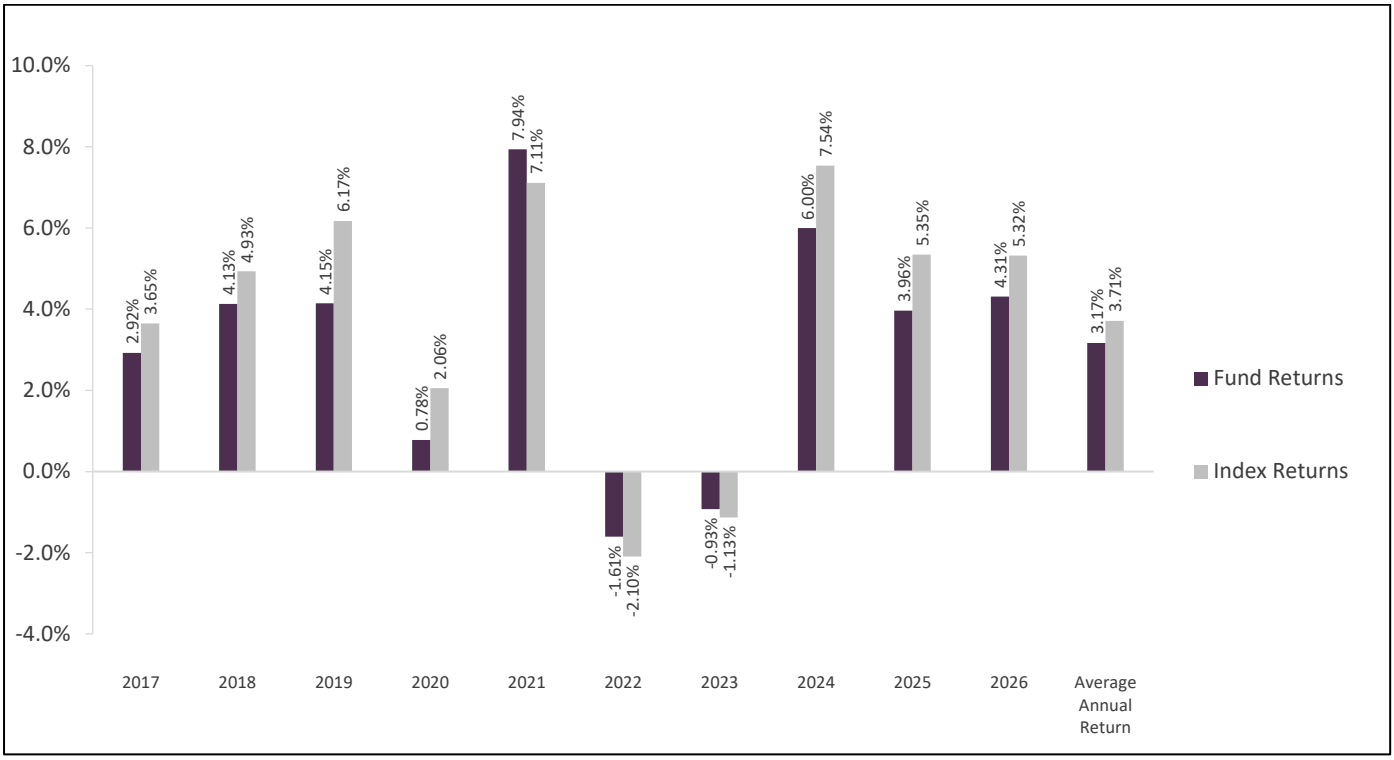
How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	2.58%	2.11%
Annual return (after deductions for charges but before tax)	3.18%	2.15%
Market index annual return (reflects no deductions for charges and tax)	3.09%	1.90%

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 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 2026.

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 Defensive Conservative Fund are charged fund charges. In the year to 31 March 2026, these were:

	% of net asset value
Total fund charges[4]	**0.40%**
Which are made up of	
Total management and administration charges Including -	**0.40%**
Manager's basic fee	0.40%
Other management and administration charges	0.00%
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.

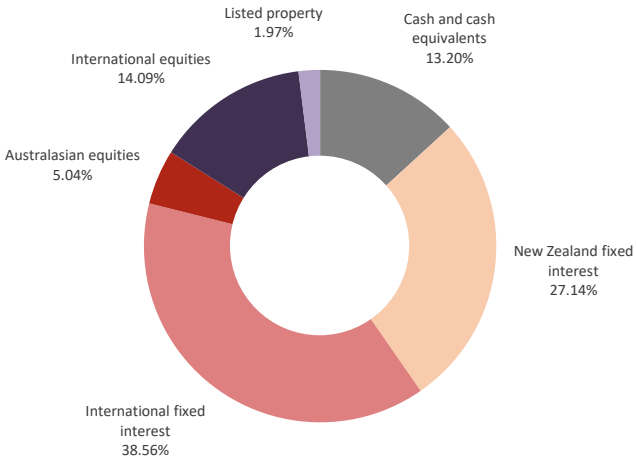
Example of how this applies to an investor

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 $211 (that is 2.11% of his initial $10,000). Jason did not pay anything in other charges. This gives Jason a total return after tax of $211 for the year.

What does the fund invest in?

This shows the types of assets that the fund invests in.[5]

Actual investment mix[6]



Target investment mix

Cash and cash equivalents	13.00%
New Zealand fixed interest	27.00%
International fixed interest	40.00%
Australasian equities	5.00%
International equities	13.00%
Listed property	2.00%

Top 10 investments

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	NZ Government Bond 4.5% 15/05/2035	1.21%	New Zealand fixed interest	New Zealand	AAA
2	NZ Government Bond 4.25% 15/05/2034	1.20%	New Zealand fixed interest	New Zealand	AAA
3	NZ Government Bond 3.5% 14/04/2033	0.97%	New Zealand fixed interest	New Zealand	AAA
4	US 2Yr Note	0.85%	International fixed interest	United States of America	AA+
5	NVIDIA Corporation	0.84%	International equities	United States of America	
6	NZ Government Bond 2.75% 15/04/2037	0.84%	New Zealand fixed interest	New Zealand	AAA
7	NZ Government Inflation Index Bond 2.5% 20/09/2035	0.83%	New Zealand fixed interest	New Zealand	AAA
8	NZ Government Bond 4.25% 15/05/2036	0.80%	New Zealand fixed interest	New Zealand	AAA
9	NZ Government Bond 5% 15/05/2054	0.76%	New Zealand fixed interest	New Zealand	AAA
10	Fisher & Paykel Healthcare Ltd	0.68%	Australasian equities	New Zealand	

The top 10 investments make up 8.98% of the net asset value of the fund.[7]

Currency Hedging

Some of the asset classes in the fund have exposure to foreign currencies. As at 30 September 2026, the actual currency hedging is as follows:

- International fixed interest – 100% hedged (benchmark 100%)
- Australasian equities – 71% hedged (benchmark 70%)
- International equities – 52% hedged (benchmark 60%)
- Listed property (Australasian) – 100% hedged (benchmark 100%)
- Listed property (International) – 142% hedged (benchmark 139%)

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	Andrew Twidle	Chief Executive Officer – BT Funds Management (NZ) Limited	0 year 10 months	Head of Customer Experience (North) - Westpac (NZ) Limited	3 years 5 months
2	Philip Houghton-Brown	Head of Investment Solutions	6 years 0 month	Chief Investment Officer / Head of Investments, Mercer	8 years 2 months
3	Andrew Winter	Portfolio Manager Diversified Funds	2 years 8 months	Implementation Portfolio Manager	3 years 5 months
4	Stephen Hong	Senior Portfolio Manager	14 years 0 month	Portfolio Manager, AXA Global Investors	5 years 9 months
5	Angelika Sansom	Investment Analytics Manager	25 years 1 month	Investment Consultant, Mercer	2 years 4 months

Further information

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

Notes

1. The Defensive Conservative Fund (established as the Defensive Fund) was last known as the Default Fund.
2. BT Funds Management (NZ) Limited is the scheme provider and Westpac New Zealand Limited is the distributor of the Westpac KiwiSaver Scheme.
3. 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.
4. The amounts specified include GST, where applicable.
5. For further information on each of the asset classes refer to the PDS and the SIPO.
6. For the reporting of the Actual investment mix, 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.
7. The top 10 investments have been calculated excluding cash and cash equivalents held for operational and hedging purposes.