

BTNZ TRADE ALLOCATION AND EXECUTION POLICY

December 2021.



Purpose.

This is the Trade Allocation and Execution Policy for BT Funds Management (NZ) Limited (**BTNZ, we, us, our**). We are the investment arm of Westpac in New Zealand. This policy ensures that all clients are treated fairly and equitably when trades are allocated across investment portfolios with respect to priority of execution of orders and in the allocation of trades.

Scope.

This policy applies to the investment management services provided by BTNZ.

These investment management services include our management of the Westpac Wholesale Unit Trusts (**Wholesale Funds**). The Westpac retail funds that we manage (Westpac KiwiSaver Scheme, Westpac Active Series, Westpac Retirement Plan and Westpac Premium Investment Funds) are wholly invested in the Wholesale Funds, and therefore this policy also applies to our management of the retail funds.

Approach.

We are the manager of the Wholesale Funds. For Wholesale Funds where we undertake the investment management functions, the trade allocation and execution policy incorporates a number of execution factors including price, cost, speed, likelihood of execution and settlement, size or any other considerations that are deemed relevant for the purposes of order execution.

The process by which we determine the importance of each of the factors outlined above is specific to each instrument type. For the New Zealand fixed interest and cash funds directly managed by us, the factors of price, liquidity, likelihood of execution and settlement size, credit risk, rating and maturity are important and the relative importance of each of them may differ depending on each individual order. We utilise our dealing experience to determine the relative importance of each factor and will execute orders accordingly. Should conditions change or other considerations become evident in relation to any aspect of the order, our portfolio managers may re-assess the situation and decide to re-prioritise the above considerations. Our portfolio managers will indicate which funds are to be involved in each trade prior to execution. In the instance where a trade is only able to be partially completed, the trade will, to the extent practicable, be pro-rated across participating funds to ensure fair and equitable treatment of all funds and client portfolios.

Where we do not undertake the investment management functions for a Wholesale Fund, we ensure that each underlying investment manager has appropriate trade allocation and execution policies in place.

All investment managers (including us) must act in good faith in determining any allocation of any trade on behalf of one or more funds or accounts, and allocating parts of the trade among those funds or accounts before, at the time of, or after the trade has been entered into.

Policy review.

This policy is reviewed and approved at least annually by the BTNZ Investment Committee.

