

Fund Update for the quarter ended 31 December 2016

OneAnswer KiwiSaver Scheme

Australasian Share Fund

This fund update was first made publicly available on: 13 February 2017

What is the purpose of this update?

This document tells you how the Australasian Share Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. ANZ New Zealand Investments 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 Australasian Share Fund invests mainly in New Zealand and Australian equities. Investments may include:

- equities in companies that are listed or intend to list on the New Zealand or Australian stock exchanges, and
- cash and cash equivalents.

The fund aims to achieve a positive yearly return (after the fund charge and before tax) that over the long-term outperforms the relevant market index.

Total value of the fund (\$)	23,761,080
Number of investors in the fund	1,534
The date the fund started	1 October 2007

What are the risks of investing?

Risk indicator for the Australasian Share Fund:



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 anzinvestments.co.nz/riskprofiletool.

Note that even the lowest category does not mean a risk-free investment, and there may be 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 ended 31 December 2016. 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.

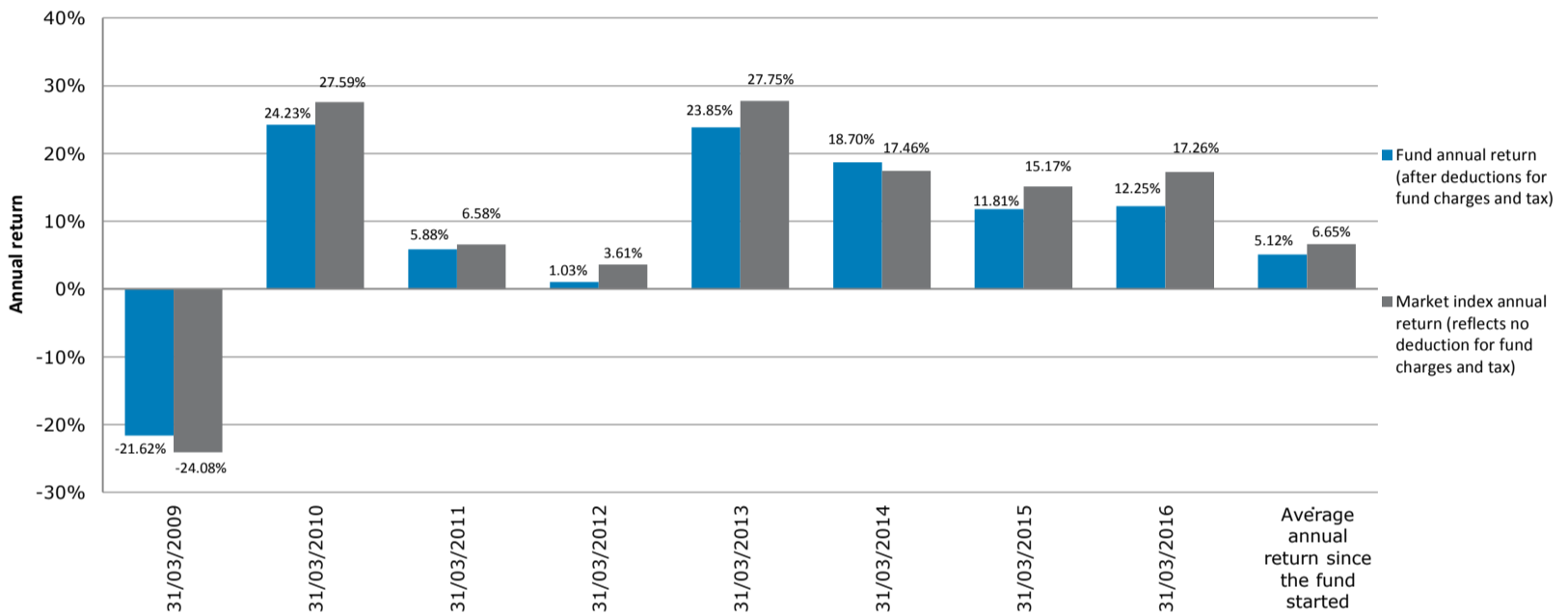
How has the fund performed?

	Average over past five years	Past year
Annual return (after deductions for charges and tax)	14.61%	7.72%
Annual return (after deductions for charges but before tax)	16.13%	9.01%
Market index annual return (reflects no deduction for charges and tax)	17.51%	10.10%

The market index annual return shows the return of the S&P/NZX 50 Total Return Index (with imputation credits re-invested).

Additional information about the market is available in the statement of investment policy and objectives on the offer register at business.govt.nz/disclose.

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 December 2016.

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 Australasian Share Fund are charged fund charges. In the year to 31 March 2016 these were:

	% of net asset value
Total fund charges	1.07%
<i>Which are made up of:</i>	
Total management and administration charges	1.07%
<i>Including:</i>	
Manager's basic fee	1.00%
Other management and administration charges	0.07%
Total performance based fees	0.00%

	Dollar amount per investor
Other charges	
Membership fee ¹	\$24

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

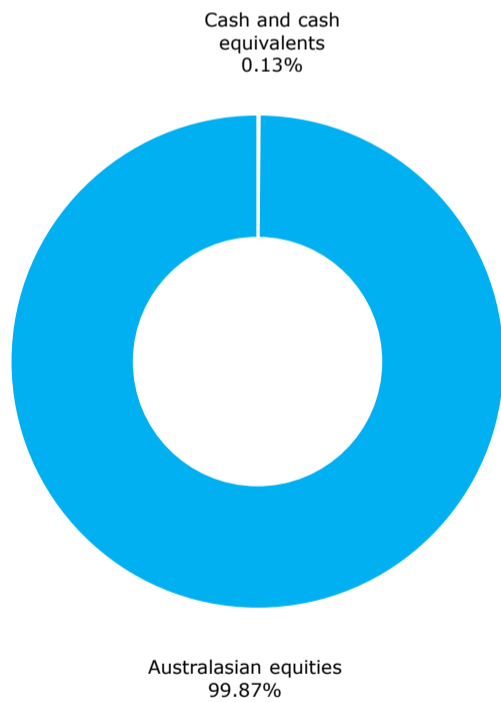
Example of how this applies to an investor

Sarah 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, Sarah received a return after fund charges were deducted of \$772 (that is 7.72% of her initial \$10,000). Sarah also paid \$24 in other charges. This gives Sarah a total return after tax of \$748 for the year.

What does the fund invest in?

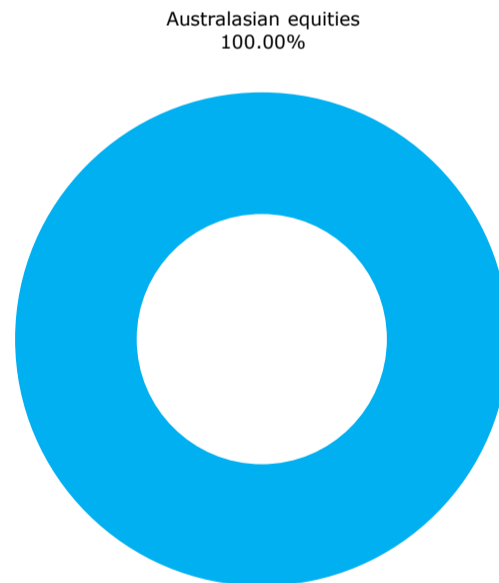
Actual investment mix

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



Target investment mix

This shows the mix of assets that the fund generally intends to invest in.



Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
1	Fletcher Building Ltd	10.35%	Australasian equities	New Zealand	
2	Fisher and Paykel Healthcare	8.91%	Australasian equities	New Zealand	
3	Spark New Zealand Ltd	8.06%	Australasian equities	New Zealand	
4	Ryman Healthcare Ltd	7.33%	Australasian equities	New Zealand	
5	Contact Energy Ltd	4.98%	Australasian equities	New Zealand	
6	Meridian Energy Ltd	4.56%	Australasian equities	New Zealand	
7	Auckland International Airport	4.42%	Australasian equities	New Zealand	
8	Z Energy Ltd	4.39%	Australasian equities	New Zealand	
9	Metlifecare Ltd	3.98%	Australasian equities	New Zealand	
10	Sky City Entertainment Group	3.86%	Australasian equities	New Zealand	

The top 10 investments make up 60.84% of the net asset value of the fund.

Currency hedging

	Benchmark hedging rate	Current hedging level
Australasian equities	Benchmark 0% AUD hedged (range of 0-100%)	0%

Key personnel

This shows the directors and employees who have the most influence on investment decisions in relation to the fund.

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Graham Ansell	Chief Investment Officer, New Zealand	4 years and 1 month	Head of Fixed Interest, ANZ New Zealand Investments Limited	17 years and 0 months
Stewart Brentnall	Chief Investment Officer, Australia Wealth	4 years and 5 months	Chief Investment Officer, OnePath Australia	3 years and 0 months
Mark Brown	Head of Equities	4 years and 9 months	Portfolio Manager, ANZ Bank New Zealand Limited	6 years and 0 months
John Middleton	Head of Australasian Equity Research	2 years and 1 month	Senior Investment Analyst, AMP Capital	1 year and 5 months
Craig Brown	Portfolio Manager, Australasian Equities	2 years and 5 months	Senior Investment Analyst, ANZ New Zealand Investments Limited	6 years and 6 months

Further information

You can also obtain this information, the PDS for the OneAnswer KiwiSaver Scheme, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes

1. We charge you a membership fee at the scheme level for looking after your KiwiSaver account. If you're invested in more than one fund, this fee will be deducted from the fund with the highest balance.