

Fund Update for the quarter ended 30 September 2017

ANZ Investments Single-Asset-Class Scheme (marketed as the OneAnswer Single-Asset-Class Funds)

International Property Fund

This fund update was first made publicly available on: 30 October 2017

What is the purpose of this update?

This document tells you how the International Property 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 International Property Fund invests mainly in international listed property assets. Investments may include:

- listed companies, funds or trusts that invest in property, 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 (\$) | 5,246,108 |
| The date the fund started | 19 September 2013 |

What are the risks of investing?

Risk indicator for the International Property Fund¹:



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 www.sorted.org.nz/tools/investor-kickstarter.

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 30 September 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.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

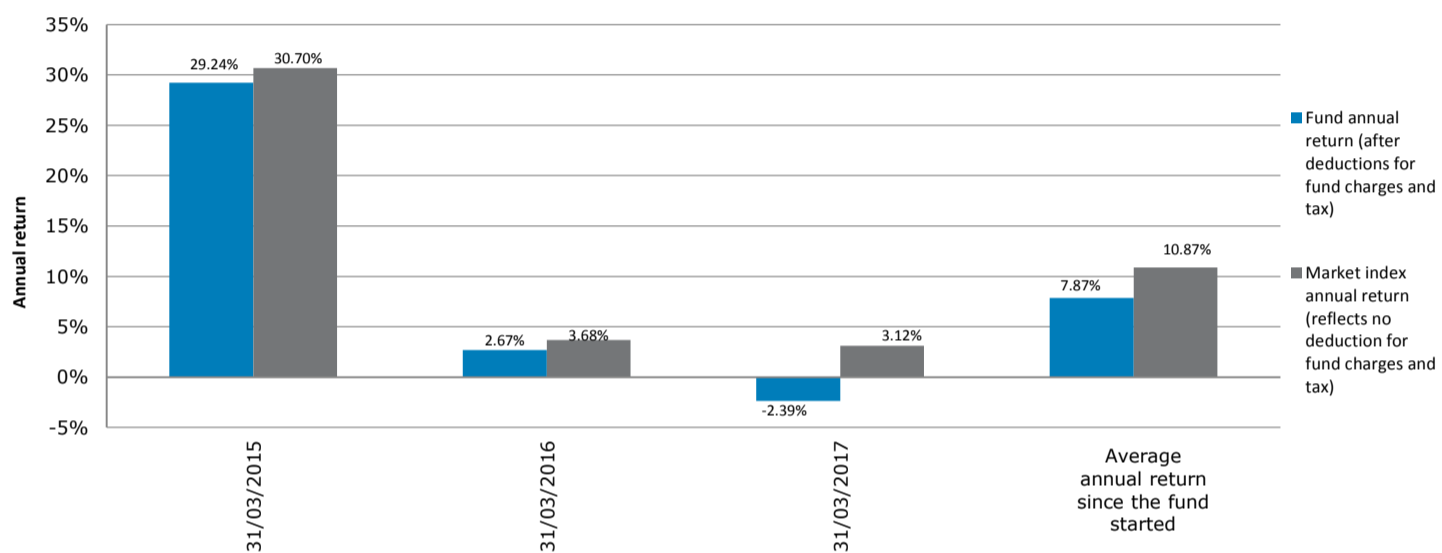
How has the fund performed?

| | Past year |
|--|-----------|
| Annual return (after deductions for charges and tax) | -2.22% |
| Annual return (after deductions for charges but before tax) | -1.06% |
| Market index annual return (reflects no deduction for charges and tax) | 0.39% |

The market index annual return shows the return of the FTSE EPRA/NAREIT Developed Rental (ex Australia and New Zealand) Net Total Return Index (100% hedged to the New Zealand dollar).

Additional information about the market index 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 30 September 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 International Property Fund are charged fund charges. In the year to 31 March 2017 these were:

| | % of net asset value |
|--|-----------------------------------|
| Total fund charges | 1.32% |
| <i>Which are made up of:</i> | |
| Total management and administration charges | 1.32% |
| <i>Including:</i> | |
| Manager's basic fee | 1.15% |
| Other management and administration charges | 0.17% |
| Total performance based fees | 0.00% |
| | Dollar amount per investor |
| Other charges | |
| Other charges | \$0 |

Investors are not currently charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for more information about Scheme fees.

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

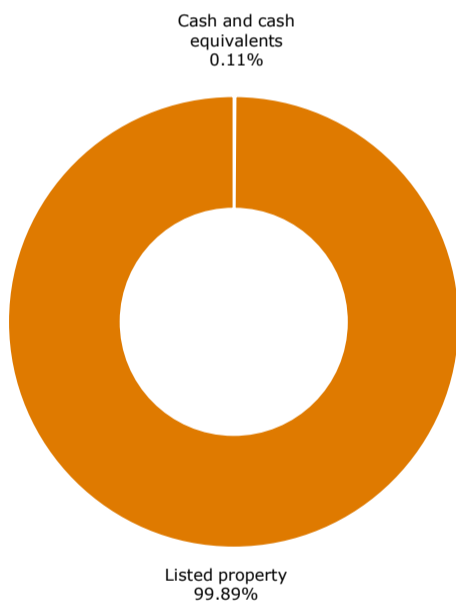
Example of how this applies to an investor

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 incurred a loss after fund charges were deducted of \$222 (that is -2.22% of her initial \$10,000). Sarah did not pay any other charges. This gives Sarah a total loss after tax of \$222 for the year.

What does the fund invest in?

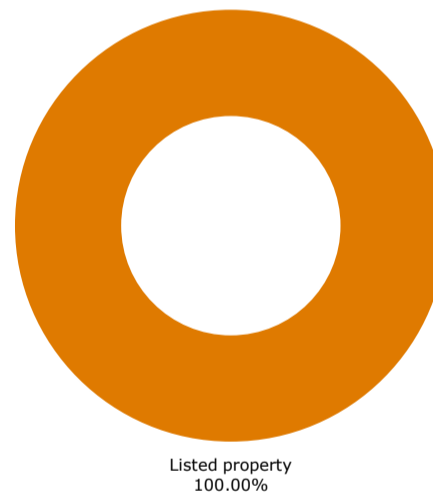
Actual investment mix²

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 | Simon Property Group Inc | 6.00% | Listed property | United States | |
| 2 | Prologis Inc | 4.90% | Listed property | United States | |
| 3 | Health Care REIT Inc | 3.62% | Listed property | United States | |
| 4 | Avalonbay Communities Inc | 3.24% | Listed property | United States | |
| 5 | Link REIT | 2.98% | Listed property | Hong Kong | |
| 6 | Equity Residential Inc | 2.86% | Listed property | United States | |
| 7 | Extra Space Storage | 2.60% | Listed property | United States | |
| 8 | Alexandria Real Estate | 2.41% | Listed property | United States | |
| 9 | Equinix Inc | 2.21% | Listed property | United States | |
| 10 | GGP Inc | 2.19% | Listed property | United States | |

The top 10 investments make up 33.02% of the net asset value of the fund.

Currency hedging

| | Benchmark hedging rate | Current hedging level |
|-------------------------------|------------------------|-----------------------|
| International listed property | Benchmark 100% hedged | 101% |

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 10 months | Head of Fixed Interest, ANZ New Zealand Investments Limited | 17 years and 0 months |
| Stuart Millar | Head of Diversified Portfolio Management | 2 years and 2 months | Senior Capital Markets Manager, ANZ New Zealand Investments Limited | 3 years and 4 months |
| Alan Clarke | Senior Mandate Research Manager | 2 years and 2 months | Investment Analyst, ANZ Bank New Zealand Limited | 8 years and 8 months |
| Maike van Tol | Asset Allocation Strategist | 2 years and 1 month | Strategic Asset Allocation Specialist, NN Investment Partners | 4 year and 9 months |

Further information

You can also obtain this information, the PDS for the OneAnswer Single-Asset-Class Funds, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes

1. In calculating the risk indicator, a mix of the fund's actual returns and the market index returns have been used. Market index returns have been used for the period 30 September 2012 to 30 September 2013, as the fund began operation on 19 September 2013. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.

2. The target and actual investment mix of this fund are based on:

- the cash and cash equivalents held by the fund, and
- the asset class of the underlying fund in which the fund invests.

They are not based on the cash and cash equivalents or any other assets held by the underlying fund.