

Fund Update for the quarter ended 30 September 2019

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

**Balanced Fund**

This fund update was first made publicly available on: 25 October 2019

**What is the purpose of this update?**

This document tells you how the Balanced 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 Balanced Fund invests mainly in growth assets (equities, listed property and listed infrastructure), with some exposure to income assets (cash and cash equivalents and fixed interest). The fund also has a small exposure to alternative assets.

The fund aims to achieve a positive yearly return (after the fund charge and before tax) that over the long-term is 4.0% over inflation (allowing for a negative return 4.7 years in every 20).

Total value of the fund (\$)	54,770,736
The date the fund started	28 February 1993

**What are the risks of investing?**

Risk indicator for the Balanced 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 [www.sorted.org.nz/tools/investor-kickstarter](http://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 2019. 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.

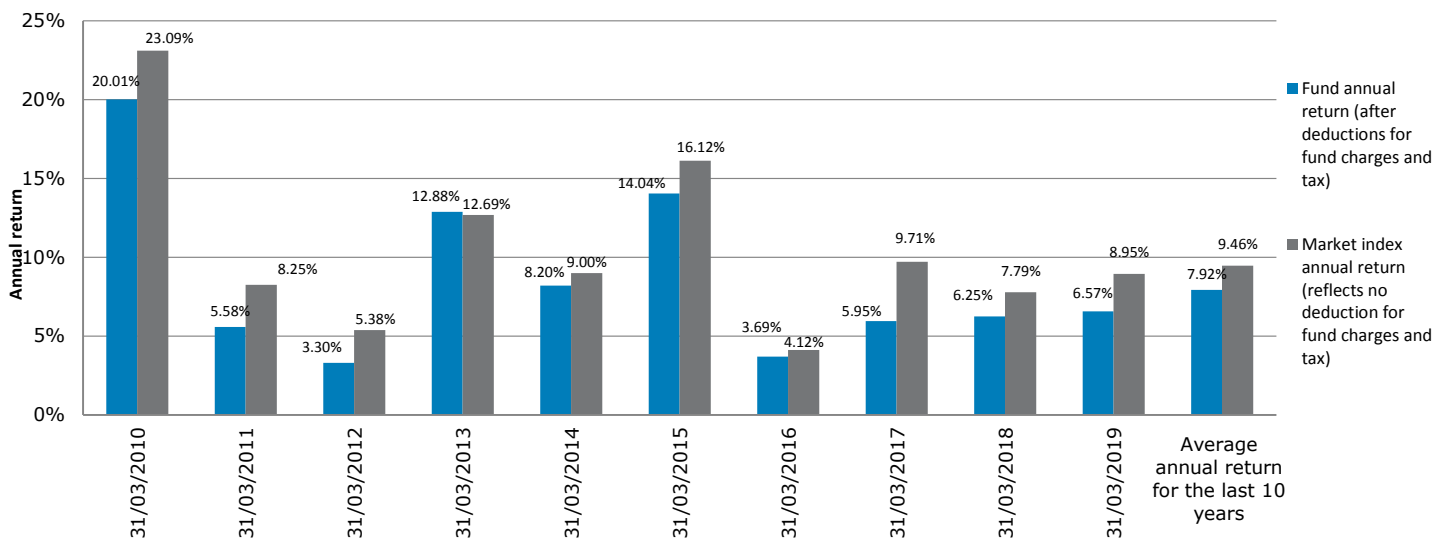
How has the fund performed?

	Average over past five years	Past year
<b>Annual return</b> (after deductions for charges and tax)	7.48%	6.82%
<b>Annual return</b> (after deductions for charges but before tax)	8.47%	7.81%
<b>Market index annual return</b> (reflects no deduction for charges and tax)	9.45%	9.09%

The market index annual return is calculated using the target investment mix and the indices of each asset class.

Additional information about the market index is available in the statement of investment policy and objectives on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

**Annual return graph**



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 30 September 2019.

**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 Balanced Fund are charged fund charges. In the year to 31 March 2019 these were:

	% of net asset value
<b>Total fund charges<sup>1</sup></b>	<b>1.28%</b>
<i>Which are made up of:</i>	
<b>Total management and administration charges</b>	<b>1.28%</b>
<i>Including:</i>	
Manager's basic fee	1.15%
Other management and administration charges	0.13%
<b>Total performance based fees</b>	<b>0.00%</b>

	Dollar amount per investor
<b>Other charges</b>	
Other charges	\$0

The manager expects that the fund charges for the next scheme year will be different from the fund charges disclosed in this fund update because the manager's basic fee was reduced on 1 July 2019 from 1.15% to 0.95% per year.

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.

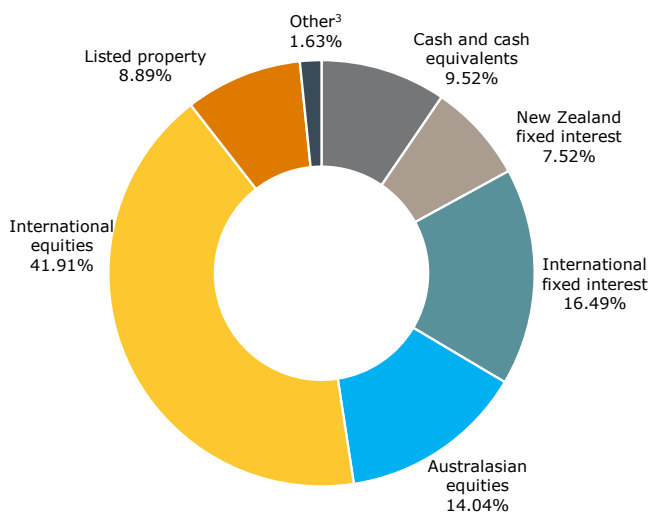
### Example of how this applies to an investor

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 received a return after fund charges were deducted of \$682 (that is 6.82% of her initial \$10,000). Sarah did not pay any other charges. This gives Sarah a total gain after tax of \$682 for the year.

### What does the fund invest in?

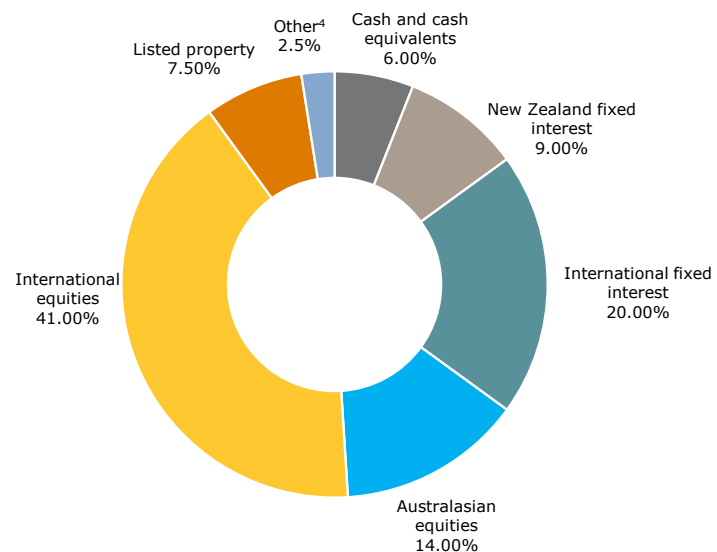
#### Actual investment mix<sup>2</sup>

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



#### Target investment mix<sup>2</sup>

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 Cash Deposit (J.P. Morgan USD)	1.59%	Cash and cash equivalents	United States	A-1
2 Visa Inc	1.07%	International equities	United States	
3 Medtronic Plc	0.77%	International equities	United States	
4 A2 Corp Limited	0.75%	Australasian equities	New Zealand	
5 Precinct Property NZ Ltd	0.73%	Listed property	New Zealand	
6 Nestle SA	0.71%	International equities	Switzerland	
7 NZ Govt Stock 15/04/37 2.75%	0.70%	New Zealand fixed interest	New Zealand	AA+
8 Fisher and Paykel Healthcare	0.69%	Australasian equities	New Zealand	
9 Spark New Zealand Ltd	0.62%	Australasian equities	New Zealand	
10 NZ Govt Stock 20/04/29 3%	0.61%	New Zealand fixed interest	New Zealand	AA+

The top 10 investments make up 8.24% of the net asset value of the fund.

### Currency hedging

	Benchmark hedging rate	Current hedging level
Cash and cash equivalents	No foreign exchange exposure	-
New Zealand fixed interest	No foreign exchange exposure	-
International fixed interest	Benchmark 100% hedged	100%
Australasian listed property	Benchmark 100% hedged	101%
International listed property	Benchmark 100% hedged	100%
Australasian equities	Benchmark 50% AUD hedged (range of 0-100%)	34%
International equities	Benchmark 65% hedged (range of 0-100%)	67%
Listed infrastructure	Benchmark 100% hedged	100%

### 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
Paul Huxford	Chief Investment Officer, New Zealand	1 year and 3 months	Acting Chief Investment Officer, ANZ Bank New Zealand Limited	3 months
Alan Clarke	Co-Head of Diversified Portfolio Management	7 months	Senior Mandate Research Manager, ANZ Bank New Zealand Limited	3 years and 7 months
Maaïke van Tol	Co-Head of Diversified Portfolio Management	7 months	Senior Asset Allocation Manager, ANZ Bank New Zealand Limited	1 year and 8 months
Mathew Young	Head of Investment Implementation and FX Strategy	7 months	Head of Investment Implementation, ANZ Bank New Zealand Limited	2 years and 2 months
Iain Cox	Head of Australasian Fixed Interest and Cash	5 years and 7 months	Senior Fixed Interest Analyst, ANZ Bank New Zealand Limited	2 years and 10 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.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

### Notes

1. Our fund charges are inclusive of GST, where applicable.

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 funds in which the fund invests.

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

3. The actual investment mix includes "other" assets. Of this, 1.59% is an allocation to listed infrastructure and 0.04% is the fund's investment in the private equity P.A Private Capital Fund 3, an alternative asset.

4. This is an allocation to listed infrastructure.